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**Report of the Administrator  
of the  
Agricultural Adjustment  
Administration  
1941**

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**UNITED STATES DEPARTMENT OF AGRICULTURE**

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UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION



Report of the Administrator  
of the  
Agricultural Adjustment  
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1941



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## LETTER OF TRANSMITTAL

UNITED STATES DEPARTMENT OF AGRICULTURE,  
AGRICULTURAL ADJUSTMENT ADMINISTRATION,  
*Washington, D. C., November 1, 1941.*

Hon. CLAUDE R. WICKARD,  
*Secretary of Agriculture.*

DEAR MR. SECRETARY: Herewith is transmitted the eighth report of the Agricultural Adjustment Administration, covering its activities for the fiscal year July 1, 1940, through June 30, 1941. During this period, the program was carried out in accordance with provisions of the Agricultural Adjustment Act of 1938, the Soil Conservation and Domestic Allotment Act, the Sugar Act of 1937, and related legislation.

This report manifests the cooperative achievements of farmers, through their program, in supporting the Nation's defense effort by organizing surpluses into an ordered abundance. In the narrative and statistical data also are reflected the ability and readiness of farmers to promote the national welfare while continuing their efforts to further the cause of agricultural conservation and adjustment.

Sincerely yours,

  
*Administrator.*

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# **Report of the Administrator of the Agricultural Adjustment Administration, 1941**

## **A. A. A. PROGRAM BECOMES LARGER FOR DEFENSE**

### **FOREWORD**

During the year 1940-41, farmers have used the Agricultural Adjustment Administration program to respond to the demand for increased production of certain food supplies needed for greater consumption in this country, for shipment to countries resisting aggression, and for reserves. Farmers have used the reserves that they had stored in the Ever-Normal Granary to feed poultry and livestock for ultimate conversion into meat, eggs, and dairy products.

The year was one of decided improvement for farmers' income, although the factors contributing to the improvement for different groups of producers varied widely. In general, the producers of meat, dairy, and poultry products have gained from increased demand for their products, due to a great extent to the defense and lend-lease programs. Producers of such export crops as wheat, cotton, and tobacco, on the other hand, have not had the benefit of sufficient increased demand to offset their export losses, and, for them, Government action for higher loans and other price-supporting steps has been responsible for income improvement. Faced with unfavorable conditions, these producers also decided to use more fully the controls provided in the Agricultural Adjustment Act of 1938, namely, the marketing quotas.

The astounding ability of American agriculture to produce when called upon to do so is an assurance to consumers that they are to have plenty of food at fair prices. Food prices have gone up some, as was to be expected, but for most commodities producers are not getting more than parity.

Throughout the swiftly changing events, farmers in the A. A. A., through their elected community and county committees, have adapted the program as necessary. Through the designation of A. A. A. county and State committee chairmen as heads of the United States Department of Agriculture State and county defense boards, the A. A. A. has further opportunity to share in the productive effort which is now a national goal.

## MEETING THE NEED FOR MORE PRODUCTION

American farmers have always produced abundantly. They would rather produce more than enough than not enough. They have responded quickly to the demand for more of certain foods, and the A. A. A. program emphasis has been shifted to enable that additional production to take place.

Important changes in acreage allotments were made to facilitate needed production. The corn program in 1941 was modified to allow producers who needed additional feed reserves to produce on more than their acreage allotments and still participate in certain other phases of the program. Acreages of tomatoes, corn, peas, and snap beans for canning were so classified that producers in the program could expand production of these commodities without affecting their compliance with the program otherwise.

The greatest single factor in making possible the expansion of the production of meat, dairy, and poultry products was the large supply of feed grains which farmers had accumulated over a period of several years under the Ever-Normal Granary program. There were, and are, abundant supplies of feed grains—1941 production being the highest on record. Government-stored corn has been made available at reasonable rates, both from farm storage in steel bins and from country or terminal elevators. Considerable quantities of Ever-Normal Granary corn were moved to points in the Northeast to be available as a feed reserve in that heavy dairy and poultry-producing area.

The Nation-wide efforts in recent years to put more of our land to grass paid dividends this year when more pasturage was needed in order to increase milk production. About 30 million acres have been taken out of soil-depleting crops in recent years under the A. A. A. programs. The 1940 Census showed an increase, in the past 10 years, of nearly 22 million acres of plowable pasture and 15½ million acres of fallow and rested land.

Thus farmers have made good on the repeated assurances that land taken out of depleting crops was being put to soil-conserving uses against the time when it would be needed.

## REACHING PARITY IN INCOME

In 1941, for the first time in many years, farmers reached the parity goal for a number of commodities. This is the year's most significant accomplishment on the income side of agriculture.

For those commodities for which domestic demand has increased because of greater industrial activity and the demands of the lend-lease program, market prices have gone to or near the parity point. And, while greater production of some foodstuffs has been called for, producers have been assured that prices of hogs, eggs, evaporated milk, dry skim milk, cheese, and chickens will not be permitted to fall below 85 percent of the parity level at least until June 30, 1943. This price support was made possible through legislation enacted in the summer of 1941.

For the commodities dealt with as basic in the Agricultural Adjustment Act of 1938, there has been no increase in total demand such

as that for meats and dairy and poultry products, but the legislation providing loans to producers at 85 percent of parity, along with conservation and parity payments, means that producers of such crops as wheat, cotton, and tobacco, who cooperate in the A. A. A. program are assured of a return approximately equal to parity on the production of their acreage allotments. The producers of these crops are now within reach of the long-sought goal of parity. However, it will require continued cooperation on the part of a majority of the producers of these commodities to keep the returns from their crops at this desirable level.

The question has sometimes been raised as to why producers should be receiving A. A. A. payments when farm income and prices are up, but the fact is that the producers to whom commodity payments are made are the ones who are growing crops for which there has not been sufficient increase in domestic demand to offset the supply situation, and the prices of which have been less than parity. Because of the effect of the war on export crops, it is all the more necessary that the producers of these products should receive some supplementary income such as that supplied by the A. A. A. payments.

## THE PROGRAM AND THE CONSUMER

Concern was expressed in certain quarters as soon as the prices of some farm commodities went slightly above parity. Actually, it is impossible to keep returns exactly at parity, and in view of the long period in which farmers have had returns of less than parity there should not be great concern at prices for some commodities temporarily going slightly above this level. Parity remains the goal, and the abundant production of American farmers is the best possible assurance to consumers and others that food is going to continue to be forthcoming at prices fair to both consumers and farmers. To the extent that increases in food prices represent parity prices to farmers, these increases are justified, and prices which consumers in fairness should be willing to pay.

However, the price paid to the farmer represents only a portion of the price paid by the consumer. The rest of the consumer's dollar goes to middlemen, such as processors, handlers, and distributors. Actually, the middlemen collectively get a larger portion of the consumer's food dollar than does the farmer. Thus, the farmer properly is as much concerned with the margin going to the middlemen as is the consumer.

During the first half of 1941, farmers received only a little over a cent from the sale of a loaf of white bread retailing at almost 8 cents on the average. The producer's share of a 7-cent package of corn flakes averaged less than a cent and a half. Cotton growers got about 8 cents for producing the material in a dollar cotton shirt.

The average workingman spent \$415 for food in 1929, but at the prices prevailing in the first half of 1941 the same amount of food cost only \$327, or about a fifth less. Thus, in spite of some rises in food prices, the city consumer's food buying power in 1940-41 was the highest since the World War.

## THE NEED FOR A CONTINUING PLANNED PROGRAM

For certain of the basic commodities such as cotton, wheat, and tobacco, the need for a comprehensive program is greater than ever. The effect of the war has been to restrict rather than increase the demand for these crops. At the same time the higher loan legislation has been of the greatest benefit to producers of these commodities. It is clear, however, that a high loan program must be accompanied by a stricter control program in order to prevent unmarketable surpluses from piling up.

Wheat is a good example. The war has reduced exports of this crop to negligible amounts. There is enough wheat in the country to supply the Nation's need for nearly 2 years without further production. Last spring the legislation authorizing loans at 85 percent of parity assured farmers that if they produced within allotments they could produce wheat profitably. But, to continue a workable loan program, it was necessary that production be kept within bounds and that marketings be orderly. The mechanism of marketing quotas provided in the Agricultural Adjustment Act was invoked and farmers were asked to vote in a national referendum on the use of quotas. Of the more than half a million commercial wheat producers who voted, 81 percent approved marketing quotas.

In some areas, where producers had considered a quota unlikely, there was considerable overseeding of acreage allotments. In these areas there naturally was a sharp reaction to the marketing quotas and the penalties which were due on overquota marketings. Congress increased these penalties, along with the increase in wheat loans, when the loan legislation was enacted. The thorough discussion which the wheat quotas received in the press proved to be of high educational value not only among farmers but among city people as well. It is significant that the metropolitan newspaper press almost universally recognized that the benefits of the higher loan program also necessarily meant more control of marketings.

In addition to the marketing quotas on the 1941 wheat crop, quotas are in effect for cotton, and 3-year quotas for tobacco and peanuts, after large votes of approval by the producers of these crops. Because of the large wheat carry-over expected on July 1, 1942, and in order to inform growers before the 1942 seeding season, the Secretary on July 25, 1941, proclaimed a marketing quota for the 1942 wheat crop. A quota referendum will be held in the spring of 1942.

## CONSERVATION GOES ON

In the field of agricultural conservation, the great task of conserving and building up our soil goes on. In general, we can produce everything we need for our own use and for the nations resisting aggression without tearing up land which we have only now begun to get back to grass and proper use. Conservation is an integral part of participation in the A. A. A. program, and, in making the plans for 1942, minimum acreages of soil-conserving crops or similar conservation measures will be required in order for a farmer to earn full program payments.



The conservation accomplishments of the A. A. A. program may be unspectacular on a farm-by-farm basis, since they consist of gradual improvements in cropping and land-management practices of individual farmers. But, when the conservation work done by the millions of farmers in the A. A. A. program is added up, there is an impressive total of accomplishment for the national welfare. This work must go on, even in the face of the need for greater production. In fact, the work that has been done is making greater production possible now, without giving our farm economy the set back which resulted from unplanned expansion in the World War.

### FARMER ADMINISTRATION OF THE PROGRAM

Administration of the A. A. A. program through farmer-elected community and county committees has been strengthened during the year. Farmers have gained experience in administration, and the program has gained by having the viewpoints of actual farmers represented in local administration. It is reassuring that in the Nation-wide effort of the defense program there is trained personnel in every agricultural county, familiar with the agriculture of that county and familiar with the handling of Government procedure.

A striking step in using a part of that personnel has been taken with the establishment of the United States Department of Agriculture defense boards in all States and in all agricultural counties. In setting up these boards, chairmen of A. A. A. committees, who are farmers, were chosen as chairmen of defense boards, which are comprised of representatives of Department of Agriculture agencies in the respective areas. The A. A. A. has direct contact with practically all the farmers in every county, and the defense boards will be able to make good use of the contacts which the A. A. A. has built up in the administration of the program.

In 1940-41 the A. A. A. continued the practice of holding a national conference of State farmer A. A. A. representatives in Washington to plan for the program for the next year. At the meeting to plan the 1942 program, held in June 1941, farmers attending recommended more conservation and more help for the small farmer. The recommendations made at the national conference were a composite of recommendations made at planning meetings in communities, counties, and States, held preceding the national conference.

The committeemen elected by their neighbors to serve on community or county committees must prove their competence within 1 year, as the elections for these committeemen are held each year. The elections thus maintain the democracy of the farm program through the selective process of the ballot. A major effort was made by farmer committeemen in 1940-41 to increase the number of farmers taking part in the annual election.

Farmers are making democracy work. In a world in which the fundamental tenets of democracy are being challenged, this example of a working democracy among the tillers of our soil is a heartening and a challenging fact.



## THE PROGRAM AT WORK IN 1940<sup>1</sup>

The A. A. A. farm program for 1940 signified the eighth year of farmers' cooperative action under agricultural adjustment legislation.

Plans for the program had been formulated and operating details worked out by farmer representatives from the States and Territories and A. A. A. administrative officials at a national conference held in Washington in July 1939. Allotments were in the hands of farmers and farm plans were ready well in advance of the 1940 planting season. Marketing quota referendums also had been held on cotton and on flue-cured, burley, fire-cured, and dark air-cured tobacco long before planting time. Excessive supplies made a vote on wheat marketing quotas necessary in the spring of 1941, and, pursuant to newly enacted legislation, peanut quotas were voted on and approved. Early in the program year, indications were that a record number of farmers would take part in the 1940 program.

### DEVELOPMENTS UNDER THE 1940 PROGRAM

One of the most significant contributions made by farmers under the 1940 program was in the production of commodities which later were to be used in the food-for-defense program. The grains that were put into the Ever-Normal Granary were destined to be converted into concentrated foods, such as meats, eggs, and dairy products, needed most in this country's nutritional campaign and most easily shipped under the lend-lease program.

As the year began, farmers were feeling the economic pinch of a virtually closed export market resulting from the war raging abroad. This loss of exports was offset in part during the year by spiraling, defense-boom industrial activity in this country, which meant larger factory pay rolls and greater demand for farm products. Then in March 1941, accelerated impetus was injected into the demand side of the picture with the launching of greater aid to the defenders of democracy through the lend-lease program.

The resulting urgency for increased defense and lend-lease production, and the accompanying factory expansion, caused industrial bottlenecks, which agriculture largely was able to avoid because of the favorable condition of the farm plant resulting from good farm-management practices carried out under the A. A. A. program.

During the latter part of the 1940-41 fiscal year, Congress enacted legislation authorizing loans at 85 percent of parity on the five basic crops—wheat, corn, cotton, tobacco, and rice. The price support afforded by these commodity loans, together with conservation and parity payments, was expected to bring a parity return to the producers of these crops who cooperated in the A. A. A. program.

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<sup>1</sup> Statistics quoted throughout the report are the latest available; they may differ slightly from final figures.

To provide a feed reserve for feeding livestock and poultry in areas where drought had curtailed the hay crop during 1941, considerable quantities of corn in the Ever-Normal Granary were moved into the Northeast Region.

In order to encourage the growing of more food for families living on farms, special A. A. A. payments were made to 651,049 families for growing home gardens under the 1940 program.

During the year, agriculture continued to hammer at the adjustment problem by applying marketing quotas to certain surplus crops and stepping up production of the vitamin-rich foodstuffs.

The increased demand and buying power in this country were reflected in a 2.4 percent increase in the 1940 farm income over the 1939 calendar year. In 1940, nonfarm income increased 7.9 percent, or three times as much as farm income.

Later indications were that cash farm income in 1941 would be the highest since 1929.

#### **RANGE COMBINED WITH AGRICULTURAL CONSERVATION PROGRAM**

Beginning in 1940, the range conservation program was combined with the agricultural conservation program in 6 States. This action was part of a general move to increase the effectiveness and flexibility of the conservation phases of the program for range and farm operators and to simplify the administration of the program in areas where both range and farm programs applied. As a result of the experience in 1940, 3 more States adopted the combination plan in 1941, and for 1942 all 17 range States will operate under the single program.

The expansion of the combination plan coincided with two other major developments in the range phase of the conservation program. Since its beginning in 1936, the range program each year has given greater attention to the conservation problems of individual ranching units. In 1940, this emphasis led to increased use of supplemental practices where regular practices did not cover special local problems. The supplemental practice feature gained in importance under 1941 and 1942 programs. Now under the combination program, the range operator has a still wider choice of practices. In addition, he has the opportunity of applying his combined soil- and range-building allowances to practices most urgently needed, either on his cropland or range land.

The second development was the increased attention given range management. From the start, this was an important phase of the range program, and surveys were made of individual ranges to give operators a better measure of the number and class of stock a given area would carry while permitting native forage to maintain and improve itself. Operators were encouraged to experiment with management practices, and the resulting experience, together with the information brought out in the surveys, is expected to be a major factor in the future management of the western range.

As a follow-up to this work, limited grazing was carried on experimentally in some special areas in 1941, and the 1942 program includes limited grazing as a regular practice. This practice, together with the deferred-grazing practice, provides further encouragement for sound stocking and proper management which over a period of time will add to the productive capacity of the range.



## THE SOUTHERN GREAT PLAINS PROGRAM

In an effort to meet the special problems of the dry, wind-swept areas of the Southern Great Plains, farmers, on a wider scale, made use in 1940 of the special localized program adapted from the regular agricultural conservation program. The program, developed through local leadership, increased the emphasis on wind-erosion-control practices.

Seventeen counties in Texas and Kansas used the special wind-erosion-control features of the program in 1940, thus demonstrating that the program can be adjusted to meet specific problems which are of major importance in localized areas. Evidence of the popularity of the wind-erosion-control program was shown by the fact that it was expanded in 1941 to include 40 counties in four States—Texas, Kansas, New Mexico, and Colorado.

The principal difference between the wind-erosion-control program and the regular agricultural conservation program is the additional requirement that all payments must be earned by carrying out wind-erosion control, water development, or other agricultural conservation practices. These practices include cover cropping, strip cropping, approved summer fallow, contour farming, contour listing, border planting, and seeding of perennial grasses. The provisions call for use of one or more of these practices on virtually the entire farm. The amount of payments which can be earned in a county is determined by the estimated payments which would have been earned under the regular program.

The main benefits of the program are more effective soil-building practices, increased acreages on which soil-building practices are carried out, increased farmer participation, and large acreages of border planting and strip cropping.

## INTEGRAL PHASES OF THE PROGRAM

The integral phases of the 1940 farm program included the agricultural conservation program, income protection and supply stabilizing measures, the Ever-Normal Granary and crop-insurance features, and other activities and special programs harmonizing and synchronizing with the over-all program of the Department.

### THE CONSERVATION PROGRAM

Some of the most important functions of the A. A. A. were performed through the agricultural conservation program, which embodied acreage allotments for major crops, soil-building practices, and conservation payments covering a portion of the sacrifices involved or the costs incurred by farmers in their efforts to bring about a better balance between soil-depleting and soil-conserving crops.

#### ACREAGE ALLOTMENTS

Individual farm acreage allotments of soil-depleting crops under the 1940 Agricultural Conservation Program represented each farmer's proportionate share of national acreage goals. Acreage allotments under the program have been used to reduce the acreage planted to crops that wear out the soil. In 1940, the acreage of soil-depleting

crops was about 30 million acres less than the 5-year average acreage before the A. A. A.—from 1928 through 1932. The national goal for all soil-depleting crops in 1940 was 270 million to 285 million acres. (See p. 16 for break-down by commodities.)

The accomplishments of the Nation's farmers in their efforts to meet the established goal are described in discussions of the program by commodities and regions which appear in other chapters of this report.

#### SOIL BUILDING

The 1940 conservation goal called for the carrying out of soil-building practices to conserve and improve soil fertility and to prevent wind and water erosion. Each participating farm had a soil-building goal to be achieved by carrying out such practices. Part of the conservation payment that a farmer could earn was based on his achievements under this part of the program.

From the standpoint of helping the food-for-defense program, perhaps the most significant accomplishments under the 1940 agricultural and range conservation programs were the seeding of legumes and grasses on 42,448,663 acres and the reseeding of 30,978,015 acres of pasture and range land by deferred grazing and the planting of seeds.

Green-manure and cover crops were planted on 21,524,500 acres.

Forestry practices, including the planting of trees, maintenance or improvement of stands, restoration by nongrazing, and woodland rehabilitation, were carried out on 524,777 acres.

The application of 13,008,519 tons of fertilizer and lime indicated outstanding progress in this phase of the program during 1940. This total included 936,093 tons of 16-percent superphosphate or equivalent, and 12,001,133 tons of ground limestone or its equivalent.

Erosion-control practices, including terracing and contour ridging, were carried out on 41,573,013 acres.

Farmers cooperating in the 1940 program constructed 74,642 dams and reservoirs, and 280,758,000 linear feet of terraces. Contour ridges amounting to 20,273,000 linear feet were built during the year.

#### PAYMENTS

Conservation payments, including range conservation payments, in connection with the 1940 program, amounted to \$442,711,000. and parity payments on wheat, corn, cotton, and rice totaled \$196,761,000, making a combined total of \$639,472,000 earned by farmers for their 1940 adjustment efforts.

#### MARKETING QUOTAS

Marketing quotas may be used to buttress the price-supporting influence of commodity loans. Their effect is to limit the sale of the commodity during a marketing year when supplies are at excessive levels. Quotas are not in effect unless approved by two-thirds or more of the producers of the commodity who vote in a referendum.

As a result of excessively large supplies of cotton and flue-cured and burley tobacco, quotas for 1940 had been voted on in the fall

of 1939 and approved by farmers. Of the cotton farmers voting, 91.2 percent were in favor of marketing quotas, and flue-cured and burley tobacco growers voted 90.0 and 83.3 percent, respectively, in favor of quotas.

During the 1940-41 fiscal year supply determinations, made in accordance with the act as amended, revealed excessive supplies of cotton, four kinds of tobacco, peanuts, and wheat, which necessitated a vote on quotas. Farmers by large majorities approved marketing control for each of these commodities.

The referendums on peanut and wheat quotas in 1941 were the first for these commodities under the Agricultural Adjustment Act of 1938, as amended.

The cotton and wheat quotas applied only to the marketing of the 1941 crop, while tobacco and peanut growers voted quotas on crops for 3 years, 1941-43. Table 1 shows referendum votes on all commodities, from 1934 through June 1941.

TABLE 1.—Results of AAA referendums, 1934 through June 1941

Commodity	Date	Total votes cast	Total "Yes" votes	Total "No"	Percent "Ycs" votes of total cast
Cotton:					
Bankhead referendum.....	Dec. 1934.....	1, 521, 954	1, 361, 418	160, 536	89. 5
Marketing quota.....	Mar. 1938.....	1, 527, 028	1, 406, 088	120, 940	92. 1
Marketing quota.....	Dec. 1938.....	1, 169, 663	983, 903	185, 760	84. 1
Marketing quota.....	Dec. 1939.....	962, 273	877, 297	84, 976	91. 2
Marketing quota.....	Dec. 1940.....	918, 857	848, 428	70, 429	92. 3
Corn-hogs—continuation of program.....	(Oct. 1934.....	579, 716	389, 139	190, 577	67. 1
	(Oct. 1935.....	943, 982	816, 891	127, 091	86. 5
Potatoes—acreage referendum.....	Oct. 1937.....	33, 022	27, 289	5, 733	82. 6
Rice—marketing quota.....	Dec. 1938.....	7, 890	3, 806	4, 084	48. 2
Wheat:					
Continuation of program.....	May 1935.....	466, 720	404, 417	62, 303	86. 7
Marketing quota.....	May 1941.....	559, 630	453, 569	106, 061	81. 0
Peanuts—marketing quota <sup>1</sup> .....	Apr. 1941.....	73, 850	64, 462	9, 388	87. 3
Tobacco—Kerr-Smith referendum.....	Dec. 1934 to Feb. 1935.....	<sup>2</sup> 398, 867	<sup>2</sup> 374, 973	<sup>2</sup> 23, 894	<sup>2</sup> 94. 0
Referendums on continuation of tobacco programs.....	June-July 1935.....	377, 271	360, 804	16, 467	95. 6
Marketing quotas:					
Flue-cured.....	Mar. 1938.....	255, 095	219, 842	35, 253	86. 2
Fire-cured and dark air cured.....	Mar. 1938.....	48, 788	39, 328	9, 460	80. 6
Burley.....	Apr. 1938.....	177, 078	154, 208	22, 870	87. 1
Flue-cured.....	Dec. 1938.....	233, 393	132, 460	100, 933	56. 8
Fire-cured and dark air cured.....	Dec. 1938.....	43, 736	26, 419	17, 317	60. 4
Burley.....	Dec. 1938.....	217, 339	129, 123	88, 216	59. 4
Flue-cured.....	Oct. 1939.....	250, 671	225, 696	25, 065	90. 0
Burley.....	Nov. 1939.....	118, 527	98, 741	19, 786	83. 3

Commodity and date <sup>1</sup>	Number of votes cast				Percentages of votes cast		
	For 3 years	For 1 year only	Against quotas	Total ballots cast	For 3 years	For 1 year only	Against quotas
Flue-cured, July 1940.....	174, 779	3, 655	24, 625	203, 059	86. 1	1. 8	12. 1
Burley, November 1940.....	111, 045	4, 321	29, 523	145, 089	76. 5	3. 1	20. 4
Dark air-cured, November 1940.....	8, 910	235	1, 433	10, 578	84. 2	2. 2	13. 6
Fire-cured, November 1940.....	20, 109	490	2, 697	23, 296	86. 3	2. 1	11. 6

<sup>1</sup> 3-year quotas.

<sup>2</sup> In keeping with the terms of the Kerr-Smith Act, the referendum was conducted on an acreage basis. Acreage voting—1,667,518; acreage voting "Ycs"—1,610,107; acreage voting "No"—57,411; percent of voting and land voting "Yes"—96.6.

### EVER-NORMAL GRANARY

The Ever-Normal Granary—a storage principle employed by the Pharaohs of Egypt and by Joseph—assumed increasing importance in the National Defense Program during 1940–41.

The corn, wheat, and cotton from previous rich harvests stored in cribs, bins, and warehouses throughout the country represent not only valuable reserves for this Nation and the other defenders of democracy, but also a protected farm income.

Moreover, just as storage loans made possible an above-ground Ever-Normal Granary, acreage allotments, soil-building practices, and conservation payments combined to bring about reserves of fertility in the soil.

### CONSERVATION MATERIALS AND SERVICES PROGRAM

One of the special programs is the conservation materials and services program, under which phosphatic fertilizers, liming materials, seeds, trees, and terracing services are purchased for distribution to farmers in the respective regions for use in carrying out approved soil-building practices, in lieu of conservation payments which farmers cooperating in the agricultural conservation program would otherwise receive.

*Conservation materials and services furnished under the agricultural conservation program during 1940–41 fiscal year*

Phosphatic fertilizers (in terms of 20 percent)-----	tons--	901, 401
Liming materials-----	do----	6, 540, 645
Potash-----	do----	718
Italian ryegrass seed-----	pounds--	1, 410, 000
Hairy vetch seed-----	do----	5, 447, 800
Austrian winter pea seed-----	do----	39, 211, 567
Mixed pea and vetch seed-----	do----	360, 000
Lespedeza seed-----	do----	91, 681
Trees-----	number--	846, 265
Kudzu crowns-----	do----	17, 804, 500
Terracing-----	linear ft--	4, 000, 000

### WINTER LEGUME SEED PROGRAM

As part of the A. A. A. farm program's measures to promote conservation and to improve farm income, a winter legume seed program was inaugurated in 1940 and continued for 1941 and 1942. The program is twofold in operation. First, farmers in the seed-producing areas, principally the Pacific Northwest, are encouraged to increase production of winter legume seed. The encouragement is offered through a price-supporting purchase program carried on by the Commodity Credit Corporation. Second, seed purchased by the Corporation is transferred to the A. A. A., and is then offered to farmers in Southern and East Central States as conservation materials in lieu of payments earned under the conservation program.

Thus, the program serves to provide one group of farmers with a greater and more stable supply of seed as an inducement to more widespread use of winter cover crops. With the outbreak of the European war, this factor took on added importance. During recent years, as much as 50 percent of the crimson clover and 40 percent of



the hairy vetch seed, for example, were obtained from foreign countries and this source of supply was completely cut off by the war. In addition, as defense needs for nitrates have increased, greater use of leguminous winter cover crops is serving to release large amounts of nitrates hitherto used as fertilizer.

At the same time, the program is providing increased markets and income for farmers in the seed-producing regions.

Great progress has been made under the program. In 1935, for example, production of hairy vetch seed totaled 5,750,000 pounds, and of peas 10,350,000 pounds. In 1940, these figures had increased to 24,950,000 pounds of vetch and 53,685,000 pounds of peas. All of this seed, except the small amount needed for reseeding purposes, went to Southern and East Central farmers for cover-crop plantings.

### FIBER FLAX PROGRAM

A fiber flax program, inaugurated in 1936 to encourage the production of fiber flax in this country, was continued in 1940 and 1941. Since fiber flax is the source of linen, which serves many military and naval purposes, the fiber flax program fulfilled increasingly important defense needs.

Under the 1940 program, payments to growers averaged \$4.76 per ton. The 9,142 tons of flax straw produced in 1940 exceeded the average of 3,704 tons for the 10-year period 1930-39. Producers of field-cured fiber flax straw, suitable for the production of spinning fiber, were offered payments of not more than \$5.50 per ton on not more than 9,090 tons of straw produced in 1941. For all straw produced above this amount, the rate of payment was to be reduced proportionately.

The principal fiber flax-producing areas in this country are the Willamette Valley in Oregon; Clark County, Wash.; and Saint Clair County, Mich.

### COTTON-MATTRESS-AND-COMFORTER PROGRAM

Under the cotton-mattress-and-comforter program, the Agricultural Adjustment Administration cooperates with the Extension Service and the Surplus Marketing Administration in distributing cotton, ticking, and percale to rural families in the low-income group, for use in making cotton mattresses and comforters. During the 1940-41 fiscal year, 1,826,443 mattresses and 310,576 comforters were made and distributed.

### THE AERIAL PHOTOGRAPHY PROGRAM

The use of aerial photographs, which was started by the A. A. A. in 1936 as the quickest, most economical, and most satisfactory means of checking compliance under the farm program, was continued during the fiscal year 1940-41. This photography also is being used by the A. A. A. and other agencies in the Department of Agriculture for program planning, mapping, and other purposes.

From 1936 to June 30, 1941, approximately 1,565,000 square miles of territory in the United States had been flown for the A. A. A. or had been covered by contract.

During the fiscal year 1940-41 the A. A. A. contracted for aerial photography covering 268,434 square miles. A part of this photography covered areas which had been photographed in previous years. This re-flying was necessary because changes in field lines, relocation of roads and highways, terracing, and clearing of forests, made since the original flying, had altered the whole appearance of the area so that the costs of delineating these changes on the old photography would have exceeded the prevailing prices for new photography. The cost of photography for which contracts were let during the year averaged about \$2.25 per square mile flown.

The flying is done by private companies under contract to the A. A. A. These companies develop the film and turn the negatives over to one of the A. A. A. laboratories, one of which is in Washington, D. C., and the other in Salt Lake City, Utah. These laboratories inspect the film for defects, before storing it in fireproof vaults, and make ratioed photographic enlargements from those negatives. The enlargements, which are accurate to within a few hundredths of an inch, are used by the A. A. A. to check farm acreages. This photography is also being used by other agencies of the Government for national defense purposes, and recently new equipment has been added to the two A. A. A. laboratories for experimental work and to take care of the greatly increased demands for reproductions.

#### NAVAL STORES CONSERVATION PROGRAM

Objectives of the 1940 conservation program for gum naval stores producers included the conservation of timber resources, and prevention of their uneconomic use and wasteful exploitation, through the adoption of approved turpentine practices such as prohibition of working small trees (less than 9-inch diameter breast height), better fire protection, and better cutting practices. The program was administered by the Forest Service and financed by funds made available to the A. A. A. for conservation purposes.

Naval stores farmers were paid at the rate of three-fourths of a cent per face (chipped area of the tree from which the gum flows) for all faces worked under approved practices and 5 cents per face for faces taken out of operation on small trees as required by provisions of the program. Damage to future usefulness for merchantable timber is not as serious in the case of large trees as it is in the case of small trees.

Because of large surpluses of naval stores, most of which had accumulated in the hands of the Government through Commodity Credit Corporation loans, the provisions of the 1940 program required a minimum curtailment of croppage of at least 20 percent with permission to discontinue work on up to 40 percent of otherwise eligible working faces. For such faces as were discontinued under these provisions of the program, 4 cents per face was paid.

Payments earned under this program approximated \$1,200,000, which was paid to 2,785 participating farmers in the States of Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Texas.

## PARTICIPATION

Each year an increasing number of farmers have cooperated in A. A. A. programs. The figure has increased from less than 2 million participants in 1933 to more than 6 million in 1940.

The number of farmers who qualified for payments under the 1940 program showed an increase of almost 5 percent over 1939.

The cropland on participating farms in 1940 represented 80 percent of all cropland in the United States, as compared with 78 percent in 1939.

Preliminary estimates indicate that farmer participation continued to mount in 1941.

## DEVELOPMENT OF THE 1941 PROGRAM

Following the established pattern of embodying farmer recommendations in each year's program, delegates to the National A. A. A. Conference met in Washington in July 1940 to chart the course of the 1941 A. A. A. program. Even though large grain supplies were already on hand, the conference recommended and adopted provisions for strengthening the Ever-Normal Granary so as to guarantee adequate reserves for all possible needs.

At that time the world was stunned by the blow to freedom that the dictator war machine had dealt the peace-loving nations of Europe, but the people of this country were relatively unaroused as to the bearing the rapid march of events abroad eventually would have upon the United States. This country, as a whole, was not approaching its problems then in terms of an all-out defense effort. Therefore, it was significant that farmers—through farmer-delegates and A. A. A. field officials—emphasized the strengthening of the Ever-Normal Granary for 1941.

Time has vindicated the wisdom of that action. The grains stored in the Ever-Normal Granary have proved invaluable to our defense effort, for these grains are being converted into concentrated foods for the democracies and have served to improve the morale and health of the American people through a better balanced diet.

In 1941, when the all-out defense effort assumed full-fledged emergency proportions and we shifted our defense machinery from low into high gear, the preparedness action of farmers in the summer of 1940 stood the Nation in good stead. Moreover, agriculture was already mobilized for action. A. A. A. committeemen, functioning as experienced bodies, provided an action organization reaching into every rural community in the country. United States farmers are on the job, fulfilling their responsibility in the food-for-defense program.

The 1941 program was molded so as to conform to the requirements of this Nation in building an impregnable defense, without throwing overboard the conservation gains that have been made in the last 8 years. It was shaped with a vivid awareness of the inflammable nature of the European war and of its possible spread to areas vital to our national welfare. Therefore, the program was properly set upon a plane of ample production to meet any emergency, with the realization that if, by some favorable turn of events,



the war should end soon, we would have at our disposal the greatest of all peace weapons—food.

Aside from the accelerated national defense developments, the 1941 program was fashioned along the same general lines as the programs for 1939 and 1940.

The 1941 program, however, provided for wider latitude in accomplishing greater conservation in areas where feed crops are not generally grown for market; more freedom in earning the soil-building allowance on small farms; reclassification of restoration land; addition of soil-building practices better fitted to local conditions; and increased deferred-grazing payments.

In keeping with the policy of obtaining maximum conservation results for the money spent under the agricultural conservation program, a number of States in the Southern and East Central Regions adopted plans in 1941 requiring the accomplishment of increased conservation in earning A. A. A. payments as a substitute for the total acreage allotment provisions in the program.

Under the acreage-allotment method, the farmer could earn full allotment payments simply by planting within his allotments. The substitute plan made it necessary for a farmer to carry out practices to earn the full soil-building allowance or to plant a certain percentage of his cropland in erosion-resisting, soil-building crops in order to qualify for full payment on allotment crops. The effectiveness of the substitute plan was demonstrated in 1940-41 by the fact that there was a large increase in soil-building practices carried out and some farmers doubled their acreages of close-seeded crops in order to meet their farm goals in 1941.

Significant changes, based on results of the 1941 experimental plans, are being contemplated in the national program for 1942—changes which will mean that a larger portion of A. A. A. payments will be earned through the carrying out of soil-building practices.

Table 2 shows 1940 and 1941 national acreage goals for individual crops, table 3 shows the 1940 and 1941 rates for computing soil-building allowances, and table 4 shows the 1940 and 1941 rates of payment for planting within acreage allotments.

TABLE 2.—National acreage goals for individual crops in 1940 and 1941

Crop	1940 acreage goals	1941 acreage goals
All soil-depleting crops	270,000,000-285,000,000	(1)
Wheat	60,000,000-65,000,000	(1)
Corn	88,000,000-90,000,000	(1)
Cotton	27,000,000-29,000,000	(1)
Rice	880,000-900,000	(1)
Peanuts	1,550,000-1,600,000	1,575,000-1,625,000
Potatoes	3,100,000-3,300,000	(1)
Flue-cured tobacco	730,000-770,000	750,000-800,000
Burley tobacco	360,000-370,000	370,000-390,000
Dark air-cured tobacco	2 155,000-165,000	32,000-36,000
Fire-cured tobacco		80,000-90,000
Virginia sun-cured tobacco		3,000-3,200
Type 41 tobacco	30,000-31,000	(1)
Cigar-filler and binder (except Types 41 and 45) tobacco	60,000-63,000	(1)
Puerto Rican tobacco, Type 46	30,000	35,000
Georgia-Florida Type 62 tobacco	2,500-3,000	(1)
Commercial vegetables	(3)	(3)
General crops	145,000,000-150,000,000	140,000,000-150,000,000

<sup>1</sup> Same.

<sup>2</sup> Combined goal for dark air-cured, fire-cured, and Virginia sun-cured tobacco.

<sup>3</sup> Equivalent to 1936-1937 acreages.



TABLE 3.—1940 and 1941 rates for computing soil-building allowances

Item	1940 rate	1941 rate
General crops and nondepleting acreage in areas B and C (deficit general-crop areas), per acre.....	\$0.63	\$0.70
Nondepleting acreage in area A (surplus-producing general-crop areas), per acre.....	.495	.50
Commercial vegetables, per acre.....	.63	.70
Commercial orchards, per acre.....	1.80	1.80
Restoration land, per acre.....	.405	.45

TABLE 4.—1940 and 1941 rates of payment for planting within acreage allotments

Crop	1940 payment rate	1941 payment rate
Corn (commercial area), per bushel.....	\$0.09	\$0.09
Cotton, per pound.....	.0144	.0137
Wheat, per bushel.....	.081	.08
Rice, per 100 pounds.....	.0585	.055
Peanuts, per ton.....	2.25	2.25
Potatoes (commercial), per bushel.....	.027	.023
Flue-cured tobacco, per pound.....	.009	.008
Burley tobacco, per pound.....	.009	.008
Fire-cured tobacco, per pound.....	.0108	.015
Dark air-cured tobacco, per pound.....	.0108	.01
Virginia sun-cured tobacco, per pound.....	.0108	.008
Type 41, per pound.....	.0054	.005
Cigar filler and binder (other than Types 41 and 45), per pound.....	.009	.008
Georgia-Florida, Type 62, per pound.....	.0108	.01
Vegetables (commercial), per acre.....	1.35	1.30
General soil-depleting crops (in surplus feed-crop area), per acre.....	.99	1.10



# THE PROGRAM FOR THE MAJOR CROPS

## THE PROGRAM FOR WHEAT

For United States wheat growers 1940-41 was a year of bold and effective action. An ominous surplus problem, which originated in pre-war world-trade conditions and reached full growth under war-time blockades, challenged them. To combat it they extended and supplemented their income protection measures, they made greater use of their loan program, by an overwhelming vote they applied marketing quotas, and, with a vast majority already using allotments as a planting guide, they prepared to make further acreage adjustments when they seeded their 1942 crop.

### SIGNIFICANT DEVELOPMENTS

The 1940-41 gains, resulting from Nation-wide cooperation of wheat growers, carried forward the progress begun under the new A. A. A. wheat program in 1938 and 1939. Growers now used the full program to influence considerably the return they were to receive for their wheat, and two developments provide concrete evidence that they were effectively using that power.

#### UNITED STATES GROWERS INDEPENDENT OF WORLD MARKET

One development was the fact that United States wheat growers were independent of the depressed world wheat market. Although this independence dates back to the fall of 1938 when the first A. A. A. wheat measures under present legislation went into operation, by 1940 growers cooperating in the program received twice the return the world market would have brought for their wheat. This is in striking contrast to the past, when farmers who produced for export were forced to take the world price not only for their exports, but for their entire production.

#### MARKETING QUOTAS PROTECT HIGHER LOAN

In 1941, as growers applied marketing quotas to protect a higher loan, the previous advances were expanded and consolidated, and for the first time in 21 years the wheat grower cooperating in the wheat program achieved the goal of the program—parity return. In 1940, cash income of wheat growers totaled 447 million dollars, including income from marketings and wheat put under Government loan. For 1941, according to preliminary estimates, wheat income was expected to be about 670 million dollars. This compares with a wheat income of 727 million dollars in 1929. However, in 1941, conservation and parity payments are expected to make up for more than this difference, and indications are that wheat growers in 1941 will have a larger total income than in 1929.

### THE WORLD WHEAT SITUATION

Measured against the world wheat situation, the progress of United States wheat growers under the A. A. A. wheat program becomes even more significant. World wheat supplies continued at an all-time high, but import controls and war blockades had so stifled international trade in wheat that by 1940 world shipments were only approximately one-half the level of the 1920's.

A large part of the surplus was piling up in the four major wheat-exporting countries—Canada, Argentina, Australia, and the United States. Canada alone had enough wheat to fill all available world import markets. Altogether, the world had 4 bushels of wheat for sale for every bushel the markets would take. The price offered the export producers was correspondingly depressed and not far from the record-breaking low quoted on the Liverpool market just before it closed at the outbreak of war in 1939.

#### OTHER NATIONS TURN TO GOVERNMENTAL ACTION

In each of the major wheat countries, the world wheat situation has had its effects. As its markets were cut off and its supplies grew to surplus proportions, the threat of low prices and bankrupt producers induced each nation to turn to governmental action. The approach used in these programs has varied in different countries.

In Canada the Government imposed delivery quotas for all wheat, and for 1941 called for a 35-percent reduction in seedings. Producers were offered a fixed price of about 47 cents a bushel (United States currency), but only on a 230-million-bushel quota. In Argentina, all buying and selling of wheat was taken over by the Government, and producers were offered the equivalent of from 42 to 45 cents a bushel. Australia instituted a license system which required wheat farmers to obtain a permit to grow wheat, and the Government offered the producers about 51 cents a bushel on a limited production.

#### THE UNITED STATES WHEAT PROGRAM AT WORK

In every case these national farm programs have meant changes in the customary production and marketing processes. The United States program, however, stands out in at least two respects. First, farmers were called upon, through referendums and elections of committeemen who administer the program, to share in the responsibility for choosing their course of action. Second, farmers cooperating in the program received a return per bushel twice that received by producers in the other countries.

This progress of the United States wheat grower was possible only because of the experience of years, experience that formed the background for the comprehensive Ever-Normal Granary program which has been in operation since 1939.

#### WHEAT ACREAGE ADJUSTMENTS

Under this program, farmers began in 1939 to make acreage adjustments to offset the gradual decline in exports which had been under way for several years. The 1939 acreage reduction was the greatest made in any single year. Following this reduction, the 1940 acreage allotment was increased to 62 million acres. An estimated 75 percent of the wheat growers participated in 1940 and 62 million acres of wheat were seeded. As war blockades tightened, however, United States exports of wheat dropped to 34 million bushels in 1940-41, about one-third of the volume of 1938-39, the last full marketing year before the war. This abrupt loss of markets, coupled with above-normal yields in 1940, led to an increase in the carry-over of wheat.

Because of the poor condition of the 1940 crop at the time the 1941 allotment was established, the increased carry-over was not reflected

in a reduced allotment until the 1942 allotment of 55 million acres was set in May 1941. The national allotment for 1941 was 62 million acres, and the 1941 seeded acreage of about 63.5 million acres indicates once more that a high percentage of farmers have complied with their allotments.

Table 5 shows wheat acreage allotments and acreages seeded to wheat in 1939 and 1940 and wheat acreage allotments for 1941 and 1942, by States.

TABLE 5.—*Wheat acreage allotments, 1939 to 1942, inclusive, and acreages seeded to wheat 1939 and 1940, by States*

[National acreage allotments for 1939 and 1942 were the same, and for 1940 and 1941 were the same, but State allotments varied due to the fact that the allotments in each year were made on the basis of the average acreage for the preceding 10 years]

State	1939		1940		1941 allotment acres	1942 allotment acres
	Allotment acres	Seeded acres	Allotment acres	Seeded acres		
Alabama	4,734	6,000	5,281	7,000	5,433	4,944
Arizona	30,554	35,000	35,534	40,000	35,793	33,061
Arkansas	65,115	49,000	67,385	44,000	67,549	57,179
California	626,396	715,000	698,754	833,000	699,447	633,922
Colorado	1,314,022	1,625,000	1,472,639	1,524,000	1,473,720	1,303,162
Connecticut						
Delaware	68,405	75,000	74,033	76,000	73,567	65,258
Florida						
Georgia	123,630	196,000	137,416	200,000	140,058	138,403
Idaho	895,549	936,000	989,702	1,023,000	994,637	865,173
Illinois	1,789,192	2,072,000	1,938,259	1,800,000	1,936,653	1,676,214
Indiana	1,481,810	1,627,000	1,601,447	1,575,000	1,604,332	1,411,459
Iowa	389,177	451,000	456,046	359,000	455,834	372,732
Kansas	11,067,349	13,895,000	12,789,001	12,531,000	12,798,697	11,371,809
Kentucky	337,534	464,000	406,727	441,000	409,528	373,760
Louisiana						
Maine	4,387	4,000	4,163	4,000	4,283	3,977
Maryland	350,926	396,000	384,403	404,000	382,487	340,920
Massachusetts						
Michigan	669,954	766,000	739,792	769,000	740,613	660,689
Minnesota	1,418,792	1,609,000	1,663,684	1,629,000	1,652,047	1,488,887
Mississippi	74					
Missouri	1,705,277	1,962,000	1,963,713	1,803,000	1,955,278	1,658,305
Montana	3,414,642	3,828,000	3,783,007	4,142,000	3,767,257	3,346,343
Nebraska	3,049,982	3,978,000	3,560,400	3,207,000	3,553,082	3,146,579
Nevada	11,968	16,000	14,653	19,000	14,679	13,685
New Hampshire						
New Jersey	46,924	70,000	53,782	72,000	54,455	50,161
New Mexico	313,553	368,000	357,895	368,000	357,617	316,162
New York	218,158	278,000	239,009	319,000	239,496	218,748
North Carolina	363,117	443,000	397,894	465,000	400,512	364,743
North Dakota	8,300,488	8,160,000	8,964,389	8,846,000	8,935,948	7,982,435
Ohio	1,654,847	2,038,000	1,838,127	1,981,000	1,847,042	1,636,368
Oklahoma	3,783,954	4,851,000	4,515,610	4,657,000	4,508,595	4,004,445
Oregon	768,303	799,000	851,458	864,000	849,116	756,281
Pennsylvania	772,659	954,000	849,933	945,000	850,089	757,632
Rhode Island						
South Carolina	110,846	216,000	123,723	223,000	126,165	136,304
South Dakota	2,943,821	2,940,000	3,245,869	3,121,000	3,254,973	2,886,655
Tennessee	337,139	388,000	375,696	399,000	376,432	336,963
Texas	3,684,863	3,919,000	4,221,766	4,233,000	4,253,335	3,748,141
Utah	209,724	263,000	234,938	265,000	235,469	211,183
Vermont	104		77			
Virginia	482,719	555,000	526,373	566,000	525,716	469,278
Washington	1,681,159	1,943,000	1,851,030	2,002,000	1,850,918	1,656,687
West Virginia	115,312	157,000	129,887	154,000	131,521	119,403
Wisconsin	90,203	93,000	99,128	88,000	99,047	86,070
Wyoming	302,818	376,000	337,437	369,000	338,583	295,940
United States	55,000,000	63,516,000	62,900,000	62,367,000	62,000,000	55,000,000

#### FURTHER COOPERATIVE ACTION NEEDED

This was the situation as farmers watched the 1941 wheat crop develop the highest yield per harvested acre in history. For 2 years wheat growers had experienced the advantages of working together. They had found that by cooperating on a national basis they were able



to protect their income from world surpluses and a growing domestic surplus. A decade earlier a billion-bushel supply had meant 38-cent wheat, but in 1940, farmers, through the A. A. A. program, had been able to get an average return per bushel of 86 cents. Therefore in the summer of 1941, with a record carry-over on hand and a crop of nearly a billion bushels in sight, further steps to safeguard the gains already made were obviously matters for consideration.

#### MARKETING QUOTAS

In drafting the farm act, Congress had recognized that, even with acreage allotments in operation, several consecutive years of unusually good growing weather and high yields or a sharp loss of markets might build wheat supplies up to excessive levels—above requirements for domestic consumption, above export possibilities, and above reasonable needs for reserves against scarcity. To meet such a situation, the farm act provided marketing quotas designed to hold part of the surplus off the market and to divide a limited market equitably among all producers of a particular commodity.

For wheat, the act calls for the use of marketing quotas when the estimated supply as of the beginning of any marketing year exceeds a normal year's domestic consumption and exports by more than 35 percent. In such years the Secretary of Agriculture is directed to declare quotas in effect by May 15, subject to the approval of two-thirds of the producers voting in a referendum which must be held not later than June 10.

On the basis of this legislation, and in consideration of an estimated supply of wheat of about  $1\frac{1}{4}$  billion bushels for the 1941-42 crop year—about 200 million bushels more than the marketing quota level—the Secretary on May 10, 1941, proclaimed a marketing quota for the 1941 crop.

The referendum was held May 31. More than half a million wheat growers in 40 States voted, and a majority of 81 percent approved the quota program. (See table 1, page 11.)

#### CONGRESSIONAL AMENDMENTS

Congress, in the meantime, had approved several amendments to the Agricultural Adjustment Act of 1938 designed to increase the effectiveness of the wheat program's income-protection measures. One amendment provided for a wheat loan on the 1941 crop at 85 percent of parity, the loan to be made mandatory upon approval by wheat growers of the marketing quota. On the basis of an estimated July 1 parity price of \$1.15, the farm loan rate was established at an average of 98 cents a bushel.

At the same time the loan rate was increased, Congress also changed the marketing quota penalty rate from the former flat 15-cent rate to a rate of 50 percent of the national basic loan rate. This was done in order to preserve the effectiveness of the higher loan program.

Other amendments dealt with the administrative provisions of the quota program.

#### ADJUSTMENT RESPONSIBILITY EQUALIZED

One of the main aims of the marketing quota is to divide more equitably among all growers the responsibility for adjusting supplies to the limited market. A wheat marketing quota, therefore, is established for each farm on which wheat is raised, with the exception of

small farms that make no material contribution to the surplus problem. This includes farms on which not more than 15 acres are planted to wheat or on which the normal production of the acreage planted to wheat is less than 200 bushels.

The quota for a farm<sup>2</sup> is equal to the farm's production less the actual or normal yield (whichever is the smaller) on acreage seeded above the farm's acreage allotment. This means that the farmer who planted within his allotment may market all he produces, since he made his adjustment at seeding time when he reduced his acreage to his allotment. The quota merely calls for a similar adjustment by the noncooperator at marketing time.

#### KEEPING SURPLUS OFF THE MARKET

Three measures are designed to keep excess wheat off the market:

(1) The farmer is encouraged to store the production in excess of his quota on his farm or in a public warehouse. To guarantee that he will keep this wheat in storage he is asked to deposit a bond or cash with the county A. A. A. committee. As an inducement for storing his excess, he is offered a loan on the excess at 60 percent of the regular rate, provided it is stored in a granary approved for loans. Later he has the opportunity of converting his stored excess wheat into free wheat by seeding below his 1942 allotment to a corresponding extent, measured in terms of his normal yield, or if he suffers a partial or total crop failure in 1942 or a subsequent year.

(2) The farmer may turn his marketing excess over to the Government to be taken out of trade channels and used for relief purposes or other noncommercial uses.

(3) The farmer may pay the marketing penalty, which in 1941 was 49 cents a bushel—50 percent of the national basic loan rate of 98 cents. The purpose of this penalty is not to collect revenue, but to discourage the marketing of excess wheat. All excess wheat is subject to the penalty until assurance is provided that it will not be sold, or marketed in the form of livestock or otherwise.

#### SAFEGUARDING INCOME

Two steps have been taken to safeguard the income gains of the wheat farmer in the 1942 crop year. The 1942 allotment, announced in May 1941, calls for a seeded acreage of 55 million acres—a reduction of 7 million acres from the 1941 allotment. Although a smaller acreage would be justified by the supply situation in sight for the next year, 55 million is the legal minimum national wheat allotment provided for in the act.

With the 1941-42 supply nearly equal to the requirements for a 2-year period, only a crop failure in 1942 could avert another supply well above the quota level. On the basis of this situation, the Secretary, in order to inform growers before the 1942 seeding season, on July 25, 1941, proclaimed a marketing quota for wheat for 1942.

#### WHEAT LOANS

Each year since the wheat program has been operating under present farm legislation, the wheat loan has gained in importance. A

<sup>2</sup> A Congressional amendment which became effective December 26, 1941, provides that a farm's marketing quota in no case shall be less than the normal production of wheat on the acreage allotment. This provision will aid farmers whose wheat yield is less than normal, due to drought or some other form of crop loss.

loan was first offered in the fall of 1938, and by the end of the year a total of 86 million bushels, or 9 percent of the crop, had been put under loan. In 1939 the amount of wheat under loan increased to 168 million bushels, representing 22 percent of the crop. With the increased wheat prices during the spring of 1940, the loan was instrumental in bringing many farmers an additional return for their wheat that they would not have received if they had been forced to sell at harvesttime. A still larger volume of wheat went under the 1940 loan. A total of 278 million bushels, 34 percent of the crop, was stored on farms and in public warehouses.

TABLE 6.—*Amount of wheat stored under loan, average farm loan value, and average farm price, by States*

State	1938			1939			1940		
	Wheat under loan <sup>1</sup>	Average farm loan value <sup>1</sup>	Average farm price <sup>2</sup>	Wheat under loan <sup>1</sup>	Average farm loan value <sup>1</sup>	Average farm price <sup>2</sup>	Wheat under loan <sup>3</sup>	Average farm loan value <sup>3</sup>	Average farm price <sup>2</sup>
	<i>Bushels</i>	<i>Cents per bushel</i>	<i>Cents per bushel</i>	<i>Bushels</i>	<i>Cents per bushel</i>	<i>Cents per bushel</i>	<i>Bushels</i>	<i>Cents per bushel</i>	<i>Cents per bushel</i>
Alabama			84			86			95
Arizona			74			77			82
Arkansas			64			68	12,677		72
California	14, 204	58.3	65	98, 636	67.2	76	138, 321	65.9	77
Colorado	1, 133, 371	50.5	49	2, 907, 961	61.2	64	3, 314, 613	60.6	62
Connecticut									
Delaware			63			78	1, 625	81.7	76
Florida									
Georgia			84			85			92
Idaho	6, 844, 371	47.7	45	5, 618, 214	51.6	60	7, 108, 154	50.9	58
Illinois	1, 788, 837	70.2	61	7, 232, 442	68.8	70	12, 661, 895	70.9	71
Indiana	210, 148	67.5	59	1, 552, 742	65.2	68	3, 701, 605	70.3	74
Iowa	389, 446	68.6	58	885, 958	66.9	66	2, 934, 391	68.4	70
Kansas	8, 226, 338	56.7	57	21, 357, 095	64.5	66	47, 899, 981	63.5	64
Kentucky	269, 811	75.4	64	289, 428	75.5	74	618, 477	75.8	81
Louisiana									
Maine			118			123			127
Maryland			63	8, 590	70.4	78	57, 136	70.9	78
Massachusetts									
Michigan	142, 558	63.4	59	162, 977	67.4	76	382, 984	69.6	77
Minnesota	5, 678, 396	69.1	60	4, 406, 730	64.3	73	10, 399, 101	75.4	72
Mississippi									
Missouri	586, 307	65.9	57	2, 978, 229	69.9	66	8, 692, 637	68.3	69
Montana	13, 977, 740	48.2	47	18, 662, 459	59.5	62	27, 699, 539	61.5	61
Nebraska	3, 572, 708	57.2	54	7, 723, 614	62.9	67	16, 599, 702	65.6	68
Nevada			64			73			79
New Hampshire									
New Jersey			71			83			85
New Mexico	36, 287	64.8	58	1, 286, 317	61.5	72	405, 720	63.4	64
New York			65			82			78
North Carolina			82			91			94
North Dakota	10, 564, 588	58.0	53	33, 100, 289	69.0	70	58, 245, 899	70.1	67
Ohio	396, 956	69.7	62	1, 813, 527	69.4	73	4, 099, 362	73.2	78
Oklahoma	4, 985, 896		56	13, 277, 037	60.4	65	19, 039, 516	62.2	63
Oregon	7, 555, 523	49.9	53	5, 569, 221	59.2	71	5, 885, 066	57.8	67
Pennsylvania			65	13, 978	72.8	82	128, 255	74.0	83
Rhode Island									
South Carolina			81			85			90
South Dakota	3, 045, 415	55.0	54	4, 506, 049	67.9	70	14, 247, 345	70.7	68
Tennessee	133, 872	78.0	74	179, 772	78.0	85	275, 457	78.0	86
Texas	2, 623, 565		57	15, 759, 987	62.8	76	29, 658, 017	64.1	64
Utah	1, 244, 705	50.0	48	301, 527	49.9	66	841, 449	49.3	64
Vermont									
Virginia	77, 945	75.5	72	117, 436	73.8	88	178, 305	75.7	89
Washington	14, 792, 771	49.8	49	12, 028, 841	56.3	65	11, 481, 689	55.3	62
West Virginia	16, 374	71.0	74	18, 030	69.5	87	9, 688	75.0	89
Wisconsin	1, 703	65.2	66			80	289	67.8	77
Wyoming	431, 413	64.1	48	311, 840	58.2	63	709, 769	60.1	62
United States	85, 745, 000 <sup>4</sup>	53.0	56.1	167, 645, 932 <sup>4</sup>	63.3	69.2	278, 338, 664 <sup>4</sup>	65.5	68.3

<sup>1</sup> State figures are not complete in every case.

<sup>2</sup> Includes allowance for unredeemed loan wheat at average loan rate. Figures for 1940 are preliminary.

<sup>3</sup> Figures for 1940 are certifications by A. A. A. county committees.

<sup>4</sup> United States totals are based on Commodity Credit Corporation data.



Table 6 shows the amount of wheat stored under loan, the average farm loan value, and the average farm price for the 3 years, 1938-1940, by States.

#### GUARANTEED RETURN

The 1941 loan rate of 98 cents a bushel plus the conservation and parity payments of 18 cents a bushel on a farm's normal yield of wheat is providing the program cooperator a guaranteed average return of about \$1.16 per bushel.

#### ENCOURAGING FARM STORAGE

The loan program has also been an important factor in easing the storage problem that arose in 1941 as a result of the record carry-over and bumper crop. Since its inception, the loan program has encouraged farmers to make use of farm storage where feasible. The Government has regarded farm storage and warehouse storage on equal terms, and, as in the case of warehouse storage, has given producers a storage allowance when wheat is delivered in settlement of the loan.

In 1941, an advance against the storage allowance was offered to assist farmers in building or repairing farm storage, and, in addition, assignments against agricultural conservation payments were accepted for the cost of storage improvement.

#### CROP INSURANCE

Crop insurance, another important feature of the wheat program, was first available to wheat growers on the 1939 crop. For the second successive year the number of contracts issued to wheat growers by the Federal Crop Insurance Corporation has shown an increase.

The Nation's farmers purchased insurance on their 1941 wheat crop to the extent of 421,113 contracts compared with 360,589 contracts issued on the 1940 wheat crop and 165,777 issued on the 1939 crop. Insured growers paid about 14 million bushels of wheat as insurance premiums during the 1941 crop year for an estimated guaranteed production of about 110 million bushels.

Settlements of late losses will not be complete under the 1941 program until early in 1942, but on June 30, 1941, the records of the Corporation showed that claims representing 3,269,911 bushels had been paid to insured farmers as reimbursement for their crop losses.

#### IMPORT QUOTAS

As an additional measure to protect domestic prices, an import quota on wheat and wheat flour was proclaimed by the President on May 28, 1941. This action invoked section 22 of the Agricultural Adjustment Act of 1933, which provides that imports may be restricted whenever shipments from foreign countries threaten to reduce the effectiveness of the farm program's supply and price-supporting measures. It sets a limit of 800,000 bushels on wheat imports and a limit of 4 million pounds on imports of wheat flour, cracked wheat, and similar products.

This action is evidence of two things: (1) That wheat farmers have been provided with an additional safeguard against the depressed world wheat situation; (2) that the necessity for an embargo

indicates clearly the advantageous position attained by the United States farmer under his wheat program. Facing the same problems producers face in other countries, he, with the cooperation of his neighbors, has been able to raise his price so high above the world level that the 42-cent tariff has been offset. In other words his price is at least 42 cents better than the price of foreign wheat delivered to ports of entry. Only a few months after the quotas were established the United States price exceeded the price of Canadian wheat delivered at Buffalo, N. Y., duty paid, by 15 to 17 cents a bushel.

### PROGRESS SUMMARIZED

In surveying the wheat program for the past year, the greatest note of progress has been sounded not so much by the dollars-and-cents advance in the position of the farmer but by the cooperation of the wheat growers of the Nation in obtaining those gains. What they have accomplished by united and democratic action is an indication of the possibilities that await men of a democracy, working hand in hand to achieve economic equality while at the same time fulfilling their obligations to their countrymen by producing and safeguarding abundance.

### THE PROGRAM FOR CORN

Although corn is grown throughout most of the United States, nearly two-thirds of the national production is concentrated in those North Central States commonly known as the Corn Belt. Here also is the area of greatest hog production and livestock feeding, which provide the principal market outlet for corn. Farmers who do not produce all the corn they feed make most of the market for the cash corn grower.

The Corn Belt farmer, therefore, is directly concerned with the adjustment of livestock numbers to the level of effective market demand, and the A. A. A. corn program is primarily, though indirectly, designed to influence that adjustment. Basic to these stabilization operations are the corn acreage allotments in the commercial corn area and marketing loans. These measures, with the promotion of sound agricultural conservation practices, constitute the program's chief means of improving the income of the commercial corn farmers.

### WHAT CORN GROWERS FACED IN 1940

Three major conditions faced corn farmers as they prepared to plant in the spring of 1940.

#### LARGE CORN SUPPLIES

A 20-year record national average yield of 29.5 bushels in 1939 had produced 2,602,133,000 bushels (December 1940 figure) on the smallest acreage in 40 years. A large carry-over from the high-yield year of 1937, when no effective control program was in operation, and from 1938 provided a 1939-40 market-year supply of 3,202,000,000 bushels, one of the largest on record. The year 1939 was the third consecutive year of above-average yields, due mainly to favorable weather and the rapid increase in the use of hybrid seed.

## LOWER HOG PRICES

Hog production, built up by high prices following the drought of 1936 and the expanding corn production of 1937 and 1938, resulted in a 1939 pig crop of 85,894,000 head, the largest in the 16 years of record. As this crop went to market, hog prices declined through the 1939-40 marketing year. With corn prices supported by the 57-cent Government loan, the corn-hog feeding ratio fell rapidly, being 9.2 for the North Central States in May 1940. Spring pig production was down 6 percent, and indications were for a reduction of 10 percent in 1940 fall pigs.

## THE WAR OUTLOOK

The full effects of the war upon the Corn Belt farmer had not become clearly outlined. Prospects of further decreases in the export demand for pork and lard were unfavorable; prospects of increasing domestic demand for meat, dairy, and poultry products were favorable. The need for flexible agricultural production was certain.

## THE 1940 CORN PROGRAM IN ACTION

In view of the record carry-over in prospect, the national corn-production goal for 1940 was set at 2,200 million bushels, requiring a national corn acreage of between 88 million and 90 million acres. In line with this desired production, the commercial corn acreage allotment was established at 36,638,000 acres, which, with normal yields, was expected to produce 1,264 million bushels. Production outside the commercial corn area was expected to provide the remaining 936 million bushels.

## ACREAGE ALLOTMENTS

In 1940, the "commercial corn area," comprising the region in which corn is a major crop and for which acreage allotments are established, was extended to cover 599 counties through the addition of 13 counties in 6 States where corn production had expanded.

Table 7 shows the division of the 1940 corn acreage allotment by States, the number of commercial corn counties in each State, and corn payments by States.

TABLE 7.—*The 1940 corn acreage allotment and corn payments by States*

States	Allotment	Counties	1940 corn payments <sup>1</sup>
	<i>Acres</i>	<i>Number</i>	<i>Dollars</i>
Illinois.....	6,513,876	99	15,359,621
Indiana.....	3,225,400	83	7,029,131
Iowa.....	8,193,223	99	23,665,826
Michigan.....	392,095	12	609,524
Minnesota.....	3,177,524	49	7,622,668
Missouri.....	2,876,339	63	4,565,494
Nebraska.....	5,905,316	64	9,362,852
Ohio.....	2,396,291	63	4,736,843
South Dakota.....	1,393,862	18	2,024,817
Wisconsin.....	667,577	12	1,740,808
Kansas.....	1,573,277	25	1,693,820
Kentucky.....	323,220	12	575,600
Area.....	36,638,000	599	78,987,004

<sup>1</sup> Preliminary. Increase for small payments not included.



### CORN PRODUCTION

In 1940, the fourth consecutive year of above-average yields, corn production totaled 2,449 million bushels. This was 249 million bushels above the national production goal, although the planted acreage of 88,143,000 acres was well within the national acreage goal.

The year saw a further increase in the use of hybrid seed to 55 percent on the commercial corn acreage. In Illinois and Iowa, which together accounted for 16,480,100 acres, the percentage of hybrid seed used was 77 and 88 percent, respectively. Very favorable weather in September also contributed to the year's heavy production.

### NO MARKETING QUOTA

The September crop report, the latest upon which marketing quotas may be based, indicated a 1940 production of 2,297 million bushels. This, with the prospective carry-over on October 1, 1940, of 600 million bushels, indicated a total corn supply of 2,897 million bushels for the marketing year 1940-41.

Since this indicated supply was less than the 1940 marketing quota level, determined at 2,930 million bushels, no marketing quota was proclaimed in 1940 for corn.

### PAYMENTS

For their participation in adjusting corn acreages toward required levels in 1940, farmers in the commercial corn area earned conservation payments of 9 cents per bushel and parity payments of 5 cents per bushel, computed on the normal yield of the acreage allotment. These payments, totaling 14 cents, in addition to the loan rate of 61 cents, provided a cash return of 75 cents to cooperating farmers. The farm parity price of corn stood at 82.2 cents in December 1940.

Table 7, page 27, lists the 1940 corn payments by States, not including increases in small payments provided in the act.

### CORN LOANS

The Ever-Normal Granary of corn became a real and proved factor in agricultural production during the marketing year 1940-41.

As a result of the stabilization of corn prices at a comparatively high level by loans, the corn-hog feeding ratio fell sharply with the decline in hog prices through the marketing year 1939-40. This resulted in a sharp reversal of the upward production trend for hogs in 1940, followed by a strengthening in hog prices.

The corn reserves accumulated under loan and in Government stocks became a vital factor when the Department of Agriculture called for a rapid increase in the production of pork, poultry, and dairy products in the spring of 1941.

### BACKGROUND FOR CORN LOANS IN 1940-41

On October 1, 1940, farmers held 292,510,491 bushels of corn under Government loans. Stocks of the Commodity Credit Corporation totaled 194,938,144 bushels, providing a reserve of 487,448,635 bushels. Unsealed corn was estimated at 208 million bushels with the total carry-over amounting to 695 million bushels, a record high.

From August 1 to October 15, 1940, all 1937 corn loans were either redeemed or liquidated. A resealing program was offered on

1938 and 1939 loans for either 1 or 2 years, with storage allowances of 5 cents per bushel a year. As a result, producers resealed 200,802,558 bushels of 1938 and 1939 corn.

In 1939, about 33,000 steel grain bins, having a capacity of around 75 million bushels, were erected for the storage of Government stocks in the farm areas where the corn was grown. Since this location of stocks proved desirable and the method of storage satisfactory, 22,020 additional steel bins, with a capacity of 60 million bushels, were erected in 1940.

The corn loan rate for 1939-40 was 57 cents per bushel and the year's average farm price was maintained at 56.7 cents.

#### THE 1940-41 LOAN PROGRAM

The corn loan program for 1940 varied in several respects from that for 1939. The loan rate was increased from 57 cents to 61 cents, or 75 percent of parity, as required by law when the estimated production for the year does not exceed the normal year's domestic consumption and export requirements.

Loans, as previously, became available on December 1 of the marketing year, but the loan application period, which on the basis of former years would have closed March 31, 1941, was extended to the end of the marketing year September 30, 1941. This action extended the price protection of the loan to many cooperating farmers who did not need the money but would otherwise have taken out loans for the protection offered. As a consequence, there was a reduction in the number of loans that might otherwise have been made and the demands upon the Commodity Credit Corporation were lightened proportionately.

For the first time, loans in 1940 were made upon a 3-year basis, with liquidation optional at the end of 2 years.

From December 1, 1940, to August 9, 1941, farmers executed 109,125 loans totaling \$62,550,366 on 102,654,583 bushels of corn. During the same period they redeemed 12,785 of these loans, representing 12,166,643 bushels.

#### THE EVER-NORMAL GRANARY IN OPERATION

On April 3, 1941, the Secretary of Agriculture called for a sharp expansion in the production of pork, poultry, and dairy products as part of the national defense program. The need was urgent; the time immediate. Feed supplies were ample for all immediate expansion possible. Inspection of 425 million bushels of loan corn stored on farms and corn owned by the Commodity Credit Corporation stored in steel bins revealed that at least 98 percent graded No. 3 or better as of April 30, 1941.

To encourage increased hog production, the Secretary announced that the Department would support long-term hog prices (Chicago basis) at \$9 a hundred pounds until June 30, 1943. Equally important to the hog producer, however, was the assurance of ample feed supplies at reasonable levels to insure a profitable corn-hog feeding ratio. This the Secretary was also able to give by announcing that loan corn from Government stocks would continue to be available at about the loan rates plus certain carrying charges.

With approximately 51 million bushels of Government corn in terminals and subterminals and 159 million bushels in country warehouses and steel bins, the Secretary announced on June 7, 1941, that stocks in terminals and subterminals would be offered for sale at between 69 cents and 75 cents, based on No. 2 yellow, Chicago. Steel-bin- and country-warehouse-stored corn remained at 65 cents or the local market price, whichever was higher. As part of a gradual adjustment of release prices to the prospective higher 1941 loan levels at 85 percent of parity, the release price on terminal- and subterminal-stored Government corn was changed on July 31 to between 73 cents and 77 cents for No. 2 yellow corn, Chicago.

The extent to which producers drew upon these reserve supplies to expand their feeding operations is shown by their redemptions of loan corn and sales of Government stocks. In addition to the 16,166,643 bushels of 1940 loan corn redeemed up to August 21, 1941, farmers also redeemed 19,216,035 bushels of resealed 1938 and 1939 loan corn between October 1, 1940, and August 21, 1941. Sales of Government stocks during this same period totaled 71,980,584 bushels. Of this latter amount, over 50 million bushels were sold to producers in May, June, July, and early August following announcement of the food-expansion program.

No small part of the credit for the rapid increase in pork production under the food-for-defense program is due to the assurance of ample supplies of feed at reasonable prices provided by the Ever-Normal Granary.

Table 8 shows corn supplies, average farm prices, and loan rates for 1938-39 to 1941-42.

TABLE 8.—*Corn supplies, average farm prices, and loan rates, 1938-39 to 1941-42*

Item	1938-39	1939-40	1940-41	1941-42 <sup>1</sup>
Corn supply, Oct. 1.....1,000 bushels.....	2,925,290	3,184,676	3,144,004	3,174,000
Sealed and owned by the C. C. C.....do.....	47,000	258,000	461,000	375,000
Unsealed.....do.....	2,878,290	2,926,676	2,683,004	2,799,000
Average farm price.....cents.....	48.7	56.7	62.4 <sup>1</sup>	-----
Loan rates.....do.....	57	57	61	-----

<sup>1</sup> Preliminary.

### THE CORN PROGRAM IN 1941

The year 1941 tested the ability of corn farmers to adjust their production in line with the needs of the Nation. Despite record supplies of corn, circumstances were such as might have resulted in increased corn acreage had it not been for the opportunity of producers to meet the situation through national cooperation.

#### FARMERS ASSURED PROFITABLE RETURNS

In December 1940, the Secretary urged hog producers to increase their anticipated spring pig crop. The corn-hog feeding ratio was rising. Farmers were assured of a profitable return on hogs through June 30, 1943, by the food-expansion program announced April 3, 1941, ahead of planting time. At the same time it was announced that farmers who felt it necessary, in order to expand feeding operations, might plant their usual acreage of corn, about 140 percent of their acreage allotments, without loss of other program payments. By exceeding his corn acreage allotment and planting up to his usual



acreage, however, the farmer would not receive the corn conservation and parity payments and would lose the loan privilege. The Secretary also announced that no marketing quota would be in effect on the 1941 corn crop.

It was recognized that these circumstances would seem to favor expansion of corn acreage. At the same time, however, producers were informed that there was no need for an increase in corn production at this time. Reserve supplies were at near-record highs and normally might have made marketing quotas mandatory for 1941-42.

#### INCREASED HOG PRODUCTION ASKED

The resulting situation was one in which Corn Belt farmers were asked to increase their hog production as much as possible by feeding corn stocks already on hand, and at the same time stabilize corn acreage and supplies by compliance with the 1941 A. A. A. corn program. The national goal of 88 million to 90 million acres, announced in December, was the same as for 1940. The corn acreage allotment for 1941 was established at 37,300,000 acres, the increase over 1940 being represented by the acreage allotted to 24 counties in Pennsylvania, Maryland, and Delaware, added to the 599 commercial corn counties in the 1940 area.

Table 9 shows the 1941 corn acreage allotments and the number of counties in the commercial corn area, by States.

TABLE 9.—*The 1941 corn acreage allotment, and the number of counties in the commercial corn area, by States*

States	1941 allotment	Counties	States	1941 allotment	Counties
	<i>Acres</i>	<i>Number</i>		<i>Acres</i>	<i>Number</i>
Illinois.....	6,527,756	99	Wisconsin.....	661,622	12
Indiana.....	3,208,908	83	Delaware.....	46,578	2
Iowa.....	8,184,781	99	Maryland.....	224,979	11
Michigan.....	391,511	12	Kansas.....	1,589,175	25
Minnesota.....	3,153,973	49	Kentucky.....	320,804	12
Missouri.....	2,920,469	63	Pennsylvania.....	366,057	11
Nebraska.....	5,923,431	64			
Ohio.....	2,386,441	63	Area.....	37,300,000	623
South Dakota.....	1,393,515	18			

At the same time, Corn Belt farmers drew heavily upon existing corn stocks to feed hogs to heavier weights during the summer, and held 13 percent more brood sows for fall farrow than they had in 1940.

Thus, farmers demonstrated that they could use the adjustment machinery of the program to meet production needs and, at the same time, to stabilize supplies of surplus crops.

#### THE PROGRAM FOR COTTON

More than 2 million farm families in the 10 leading cotton producing States depend directly on growing cotton for a livelihood, and several million more families are engaged in the various cotton processing industries.

Cotton is strictly a soil-depleting crop. It requires a great amount of the basic plant foods, but adds practically nothing to the soil in return, either in the form of protection, humus, or nitrogen. It has been the purpose of the A. A. A. to bolster the waning fertility

of the South's cotton land with legumes, cover crops, and mechanical devices, and to put a floor under prices with quotas, loans, and insurance.

After 1929, production-consumption maladjustments, which resulted in weakening price relationships, had brought disappointment and even poverty to thousands of cotton growers and many farmers who once owned their land had lost it and become tenants or share-croppers. The A. A. A. has sought to correct this situation.

### COTTON DEVELOPMENTS

During the 1940-41 marketing year, cotton farmers witnessed an increase of nearly 2 million bales in domestic consumption which helped, in part, to offset an export market drastically curtailed as a result of war blockades.

In addition to loans, the Government carried out surplus-removal operations through the cotton-mattress program and the cotton-bagging program. The Supplementary Cotton Program was inaugurated in an effort to reduce the production of surplus cotton and at the same time to make more cotton products available to families on cotton farms.

Cotton growers during the year continued the use of marketing quotas as a means of relieving the surplus situation.

In line with the national defense program, coupled with a nutritional campaign, farmers in the Cotton Belt were urged to grow not only more food but more of the right kind of food—the protective vitamin-rich nutrients.

The A. A. A. program encouraged Cotton Belt farmers to shift from the production of surplus crops, notably cotton, into dairy, poultry, and meat production to help meet not only defense requirements but also the requirements of a live-at-home program for the South.

### THE SITUATION IN 1940

The marketing year began on August 1, 1940 with a domestic carry-over of 10.5 million bales and a world carry-over (including cotton afloat and in foreign ports and mills) of 12.5 million bales of American cotton. During the 1940-41 season, approximately 12.3 million running bales of cotton were produced in this country, resulting in a supply of American cotton of about 22.8 million bales in the United States and 24.8 million bales in the world. Exports of American cotton declined from 6.2 million bales during the 1939-40 season to about 1.1 million bales in 1940-41, the lowest point in recent history—in fact, the lowest since the year 1864. However, this loss in exports was partially offset by an increase in the consumption of American cotton in the United States from 7,655,000 bales during the 1939-40 season to 9,576,000 bales in 1940-41, a new high record for domestic consumption.

From the above production, consumption, and export figures, it may be seen that the cotton supply in the United States on August 1, 1941, was about 1.6 million bales more than were on hand a year earlier. With a carry-over of American cotton in the United States on August 1, 1941, of about 12 million bales, it is likely that, even with another record consumption in 1941-42, enough cotton is on hand to supply the normal domestic and export demand for more than a year if no cotton were grown in this season.



## THE OPERATION OF THE COTTON PROGRAM

In 1940 cotton farmers used the acreage-allotment and soil-building features of the agricultural conservation program, along with quota and other price-supporting provisions of the Agricultural Adjustment Act of 1938.

### ACREAGE ALLOTMENTS

Cotton allotments to farms totaled 27,545,000 acres in 1940 and 27,392,000 acres for 1941. The harvested acreage for 1940 was 23,861,000, which, with an average yield of about 253 pounds per acre, gave a national production of 12,566,000 bales, as compared with an average per-acre production of 238 pounds in 1939 and a national total of 11,817,000 bales. The 1939 harvested acreage was 23,805,000.

### PAYMENTS

The 1940 cotton conservation payments were at the rate of 1.44 cents per pound on the normal yield of the farm's cotton acreage allotment, and the 1941 payment rate was 1.37 cents.

Price adjustment, or parity, payments for 1940 were set at 1.55 cents per pound for the normal yield of the farm's cotton acreage allotment, as compared with 1.38 cents in 1941.

Cotton conservation payments, including county association expenses, totaled \$102,564,000 for 1940; cotton parity payments totaled \$95,752,000. Comparable figures for 1939 were \$118,817,000 for conservation and \$96,195,000 for parity payments.

### QUOTAS

More than 900,000 cotton farmers, voting in a referendum in December 1940, approved marketing quotas for the 1941-42 marketing year by a majority of 92.3 percent. Quotas for the 1940-41 year had been favored by 91.2 percent of the voters. (See table 1, page 11.)

### COTTON LOANS

Cotton producers cooperating with the A. A. A. program were eligible for loans on their 1941 crop at a rate based on 85 percent of parity as of August 1, 1941, the beginning of the 1941 marketing year.

The average loan rate on  $\frac{7}{8}$ -inch Middling cotton, gross weight, was 14.02 cents per pound, based on the parity price of 16.49 cents for August 1. In 1940 the average loan rate was 8.90 cents.

Differentials for grade, staple, and location in the 1941 program will be calculated in relation to the loan rate on  $\frac{15}{16}$ -inch Middling cotton, which is the basic description for all future and spot contracts. The rate for Middling  $\frac{15}{16}$ -inch cotton will be 0.20 cent per pound above the basic rate for  $\frac{7}{8}$ -inch Middling cotton. The average loan rate for  $\frac{15}{16}$ -inch Middling cotton, net weight, will be 14.82 cents per pound.

### SCOPE OF PROGRAM

The scope of the 1940-41 cotton loan program, as of June 30, 1941, can be seen by the following figures: The face value on notes of cotton loans amounted to \$153,100,000 on 3,180,000 bales. Of this amount, \$137,800,000 on 2,851,000 bales was redeemed by producers, leaving \$15,300,000 on 329,000 bales outstanding.

On June 30, 1941, the face value on notes of all loans outstanding, which included cotton from the 1938, 1939, and 1940 crops, amounted to \$46,324,000 on 1,162,000 bales. As of the same date, the Government had title to 6,126,482 bales of cotton from the 1934 and 1937 crops.

The volume of cotton going into the Government loan in 1940 far exceeded that in 1939. Naturally, most of the cotton which goes into the Government loan is placed under loan during the first few months of the marketing year. At the beginning of the 1940 marketing year the relationship between the loan rate and the price of cotton in the export areas, the source of a great part of the loan cotton, was much more favorable to the placement of cotton in the loan than was the case in 1939. In other words, much of the cotton that went under loan in 1940 originated in export areas where there was a very limited market for the great bulk of the cotton.

### SURPLUS-REMOVAL OPERATIONS

The cotton-mattress and cotton-bagging programs were continued in 1940-41 and a supplementary cotton program was added in 1941. Also, the search for new cotton outlets was continued through laboratory research.

#### SUPPLEMENTARY COTTON PROGRAM

The Supplementary Cotton Program was started in the spring of 1941 when it became evident that the war would cut the 1940-41 cotton exports from 6 million bales to 1 million bales, leaving the South, which has often produced too much cotton and used too little, with an unprecedented amount of cotton unsold.

Because of small cash incomes, brought about in many cases by the one-crop system and the density of farm population, many farm families lack sufficient clothes and other cotton goods. The international crisis, by curtailing cotton exportation, threatened to deprive the South of the essential elements of living to an even greater extent.

The Supplementary Cotton Program was a supplement to the existing A. A. A. program and not a substitute for any part of it. It offered the cotton farmer a chance to make a further voluntary reduction in his 1941 cotton acreage.

Each family which participated in the program also was eligible to earn a special payment of \$3 for carrying out a specified food-production-for-home-use practice, requirements of which vary among States.

#### COTTON-MATTRESS AND COTTON-BAGGING PROGRAMS

The cotton-mattress program was started in 1940 and was designed to provide low-income families with cotton mattresses. Through the cooperation of the A. A. A., the Extension Service, the Surplus Marketing Administration, and other groups, 366,000 bales of raw cotton were used through June 30, 1941, to make 3, 276,000 mattresses and 1,121,000 comforters. In addition, over 32 million yards of mattress ticking and 11 million yards of comforter covering were used in this Nation-wide program.

The cotton-bagging program during the fiscal year which ended June 30, 1941, resulted in the use of cotton bagging for about 670,760 bales during the season, and caused the consumption of about 7,400 bales.

Further to increase the uses of cotton, the Department of Agriculture is carrying on many experimentation and research projects. With the war hampering exports, these projects have become especially important during the past year.

### COTTON INSURANCE

The Agricultural Adjustment Act of 1938, which provided for insurance for wheat, was amended in May 1941 to include cotton. Insurance will be available for the first time on the 1942 cotton crop.

As in the case of wheat insurance, the cotton insurance program will be administered by State and county A. A. A. committees, in cooperation with the Federal Crop Insurance Corporation.

In the cotton insurance program both the premiums and indemnities are increased sufficiently to cover loss of the cottonseed measured by the amount of lint loss. The additional indemnity to be paid for loss in yields of cottonseed will be based on the average relationship between returns from lint cotton and cottonseed during the same period of years as that used for determining yields and premium rates. Premium rates based on lint losses will be increased by the same percentage to provide this additional protection against losses of cottonseed.

The following features of cotton insurance are similar to those of wheat insurance: (1) Production is guaranteed up to either 50 or 75 percent of the average yield of lint cotton for a representative period of years; (2) the premium rate is based on the loss experience of the farm over a 7-year period which is blended with the county loss experience; (3) in the case of a complete loss, the amount of the loss for which an indemnity is payable is determined on the day the claim for loss is approved by the Corporation; when only a partial loss is sustained, the amount of the loss will be determined upon the completion of harvesting; (4) premiums are to be paid by commodity notes which mature about harvesttime; (5) a producer can obtain insurance on his planted acreage, provided the acreage planted does not exceed his allotment.

In the cotton insurance program, as in the case of wheat, growers must insure all the farms in the county in which they have an interest in the crop.

Cotton insurance covers losses inflicted by natural hazards, such as weather and insects. The Southern cotton farmer has fought an increasing horde of plagues throughout the years—boll weevil, flood, drought, and many others—and in addition has been affected by the recent drop in foreign markets and the increase of competition from other fibers. With the assurance that his crop will be protected from its natural enemies, he can face the artificial ones with considerably more courage.

### ACCOMPLISHMENTS OF THE PROGRAM

Indications were that the cooperating cotton farmer's 1941 income would be at the highest level since 1929. The 1941 conservation payment rate was set at 1.37 cents per pound; parity payments were 1.38 cents per pound. These figures, added to the loan rate of 14.02 cents (for 7/8-inch Middling), gave a guaranteed return of 16.77 cents per pound to cooperators. In 1940, the conservation and parity payments, with



a loan rate on  $\frac{7}{8}$ -inch Middling of 8.90 cents, gave a guaranteed return of 11.89 cents per pound to cooperating farmers. The 1940 conservation payment rate was 1.44 cents, and the parity rate was 1.55 cents per pound.

Outstanding facts about the 1940-41 program were:

(1) Acreage harvested in 1940 was 23,861,000 for a crop of 12,566,000 bales, as compared with 23,805,000 acres and 11,817,000 bales in 1939.

(2) Markets were stabilized despite the fact that war cut exports to about 1,100,000 bales in 1940-41.

(3) About 2 million more bales were consumed in 1940-41 in the United States than in the 1939-40 year, because of defense requirements, surplus-removal operations, and a general business upturn.

## THE PROGRAM FOR TOBACCO

The history of tobacco as a cash crop dates back to early colonial days when the first permanent English colony was established in Virginia. Obviously, reference to tobacco history is irrelevant here except to point out that from colonial days leaf tobacco has never diminished in importance as a cash crop. In 1940 more than three-quarters of a million American farm families were engaged in the production of tobacco.

Tobacco is a principal cash crop in North Carolina, South Carolina, Georgia, Virginia, Kentucky, and Tennessee. It is also an important cash crop in Maryland, Ohio, Pennsylvania, Connecticut, Wisconsin, and several other States. Major kinds of tobacco are: Flue-cured, burley, fire-cured, dark air-cured, cigar, and Maryland.

## TOBACCO DEVELOPMENTS

The upward trend in the domestic consumption of cigarette types of tobacco—flue-cured, burley, and Maryland—was maintained in 1940. Consumption of cigarettes in this country has been increasing at an annual rate of about 6 percent during recent years. The 1940 crops of flue-cured and burley tobacco were subject to marketing quotas, and Government price-supporting measures were in effect for each. During the year growers of flue-cured, burley, fire-cured, and dark air-cured tobacco approved quotas for the 1941, 1942, and 1943 crops, covering about 80 percent of the total United States tobacco production. These quotas enabled farmers to make equitable division of the adjustments in their crops which drastically curtailed exports have required. Previous to the outbreak of the current war, about one-half of the flue-cured, fire-cured, and dark air-cured production was exported, mostly to England and countries now blockaded.

The war brought United States tobacco exports down to about half of normal during the period July 1, 1940, to June 30, 1941. In July 1941, indications were that stocks of United States tobacco actually in the hands of major importing countries had been reduced to very low levels. Under the Government loan and purchase program, which is described in more detail below, some of these reductions of stocks have been offset by temporary storage of the tobacco in this country. Transfer of these stocks is expected to be accomplished as needed. The movement abroad of United States tobacco under these arrangements was begun during the spring and will probably increase slowly.

## RECENT LEGISLATION AFFECTING TOBACCO

Several legislative provisions affecting tobacco were enacted during 1940-41. Important among these were:

(1) An amendment to the Agricultural Adjustment Act of 1938 changing the base period used in computing parity price for flue-cured and burley tobacco from 1919-29 to the period 1934-38, so as to reflect the changed conditions for these kinds of tobacco brought about by their increased use in cigarettes.

(2) Another amendment to the 1938 act separated the dark types of tobacco into (a) fire-cured, (b) dark air-cured, and (c) sun-cured. Since the closing of export outlets affects the different types in varying degrees, this differentiation is important.

(3) A new law provides that under specified conditions loans at the rate of 85 percent of parity are mandatory on the 1941 crop of tobacco, as well as on the 1941 crops of other basic commodities.

## TOBACCO MARKETING QUOTA REFERENDUMS

During the last half of 1940, farmers held marketing quota referendums for flue-cured, burley, fire-cured, and dark air-cured tobacco, with choices of adopting quotas for 1 year, 3 years, or not at all. In each case farmers approved marketing quotas for the 3 crop years, 1941-43. Substantially more than the necessary two-thirds majority required was recorded in each referendum. (See table 1, page 11.) Supply situations for Maryland tobacco and for the cigar types of tobacco have been such, up to the present time, that no referendums on marketing quotas have been necessary.

## OPERATION OF THE PROGRAM

As in preceding years, a tobacco acreage allotment was established for each farm normally producing tobacco. The allotment serves as a basis for: (1) computing the payment under the agricultural conservation program; (2) computing parity payments when made (no parity payment was authorized with respect to tobacco under the 1940 program); (3) the marketing quota program (the farm marketing quota for any farm is the actual production on the farm acreage allotment).

Table 10 shows the number of farm acreage allotments, the total acreage allotted under the 1941 marketing quota program, and the total acreage harvested for flue-cured, burley, fire-cured, and dark air-cured tobacco.

TABLE 10.—*Number of farm acreage allotments, total acreage allotted under 1941 marketing quota program, and total acreage harvested*

Kind of tobacco	Farm acreage allotments	Total allotted	Total harvested
	<i>Number</i>	<i>Acres</i>	<i>Acres</i>
Flue-cured.....	191,857	762,115	747,700
Burley.....	244,732	380,706	363,900
Fire-cured.....	33,705	84,330	86,100
Dark air-cured.....	20,477	35,796	32,900

## PENALTY COLLECTIONS

Penalty collections on excess tobacco marketed from the 1940 crop totaled \$593,000, of which \$322,000 was collected on burley and \$271,000 on flue-cured tobacco.



### LOAN PROGRAMS

Loan programs were in effect during 1940 for flue-cured, burley, fire-cured, and dark air-cured tobacco. About 200 million pounds of flue-cured tobacco were handled through a purchase and loan program under which Commodity Credit Corporation funds were made available to regular exporting companies to finance those portions of the crop normally acquired by them. Fifty million pounds of fire-cured and dark air-cured tobacco were handled under a dealer loan and purchase program and by farmer cooperative associations.

During the latter half of the 1940 burley marketing season approximately 26 million pounds of this tobacco were placed under loan through a farmer cooperative association.

In July 1941, Commodity Credit Corporation announced a price-stabilization program for the 1941-42 flue-cured season to support prices at 85 percent of parity. Under this program, some leaf will be available for export through lend-lease shipments or otherwise.

Before the beginning of the 1941-42 marketing season, most of the 1940 burley tobacco acquired under the program had been sold to domestic manufacturers. Some of the 1939 and 1940 flue-cured stocks covered by the loan program began moving through export channels in May and June of this year, and it is expected that the remainder of these stocks will be moved.

### SUMMARY

Domestic consumption of tobacco products was at a record level in 1940-41, and continuation of this upward trend was expected.

Notwithstanding the unfavorable export situation, prices for the 1940 crop, together with the payments under the agricultural conservation program, resulted in returns to growers averaging about 81 percent of parity. Maintenance of tobacco prices at this level was possible because of adjustments by growers in keeping supplies in line with demand, and because of the commodity loan program to support market prices in those cases where export buyers were forced to withdraw from the market because of war. With the mandatory loan program at 85 percent of parity, farm prices for the 1941 crop should be more favorable than for 1940.

Table 11 shows the total tobacco production, the season average price received by farmers, and the value of the tobacco produced, by types, for 1940.

TABLE 11.—*Total tobacco production, season average price per pound received by farmers, and value of production, by types, 1940*

Type of tobacco	Total production	Season average price per pound received by farmers	Value of production
	<i>Pounds</i>	<i>Cents</i>	<i>Dollars</i>
Flue-cured.....	755, 793, 000	16. 4	123, 748, 000
Burley.....	375, 535, 000	16. 2	60, 730, 000
Fire-cured.....	103, 481, 000	9. 3	9, 583, 000
Dark air-cured.....	42, 212, 000	7. 7	3, 237, 000
Maryland.....	31, 920, 000	<sup>1</sup> 33. 0	10, 534, 000
Cigar.....	143, 025, 000	17. 5	25, 049, 000
United States.....	1, 451, 966, 000	15. 8	232, 881, 000

<sup>1</sup> Preliminary estimate.

## THE PROGRAM FOR RICE

The production of rice in this country averages between 14 million and 15 million barrels annually. The normal annual consumption of rice in the United States and its possessions is about 11.5 million barrels or "pockets" of rice. Of that amount, approximately 2.5 million barrels are exported to Puerto Rico, Hawaii, Alaska, and the Virgin Islands. Of the remainder of the rice produced in this country, about two-thirds goes to Cuba. Under normal conditions, Canada, the United Kingdom, Belgium, Greece, and the Netherlands are heavy consumers, but the war abroad has practically shut off this consumption outlet.

### THE RICE SITUATION

Rice prices during most of 1940-41 held to parity or above and ranged from \$3.75 to \$4 per barrel.

Rice prospects for 1941, both as to price and consumption, were exceptionally good. With the war curtailing shipments from China, rice growers in Arkansas, California, Louisiana, Missouri, Texas, and Hawaii expected to export a total of 4 million barrels in 1941, 1 million more than the 1940 total. There were also indications that shipments to the United Kingdom might be increased under the Lend-Lease Act. Rice producers' optimism for a good year was not dimmed by a huge carry-over, as was the case in some commodities.

### THE OPERATION OF THE RICE PROGRAM

The A. A. A. rice program, as in the case of other major crops, provides acreage allotments and conservation and parity payments to producers who plant within their allotments. Loans and marketing quotas are also authorized when conditions warrant.

#### ACREAGE ALLOTMENTS

A total of 892,000 acres was allotted to the five rice-producing States and Hawaii in 1940, and the 1941 allotment was 896,000 acres. The planted acreage in 1940 was 1,090,000 as compared with 1,186,000 for 1941.

#### PAYMENTS

The conservation payment rate was 5.85 cents per hundred pounds for 1940, and 5.50 cents for 1941. The price adjustment rate was 9.3 cents for 1940 and 20 cents for 1941.

Table 12 shows the acres of rice harvested in 1940 and the estimated 1941 acreage for the four leading rice-producing States.

TABLE 12.—*Acres of rice harvested in 1940 and estimated for 1941 for the four leading rice-producing States*

State	1940	1941
	<i>Acres</i>	<i>Acres</i>
Arkansas.....	191,000	214,000
California.....	118,000	138,000
Louisiana.....	451,000	514,000
Texas.....	291,000	320,000
Total .....	1,051,000	1,186,000

### **SURPLUS REMOVAL OF RICE**

Rice farmers' incomes were protected and additional food was provided for needy families during the fiscal year 1940-41 through the purchase of 26,181,000 pounds of milled rice by the Surplus Marketing Administration. Thus, this quantity of rice was removed from the normal commercial supply. Of the total rice purchased, 6,660,000 pounds were turned over to the American Red Cross for distribution, and 19,521,000 pounds were made available to participants in the Food Stamp Plan of the Surplus Marketing Administration.

### **THE PROGRAM FOR PEANUTS**

Peanuts are a source of farm income over the entire southeastern seaboard area and in several Southern and Southwestern States. Commercial peanuts have been treated as a special crop in designated areas under the agricultural conservation program since the beginning of the program. Farm acreage allotments for commercial peanuts are established and payments made under the program for planting within the allotment.

#### **MARKETING QUOTA**

In April 1941, the Agricultural Adjustment Act of 1938 was amended to provide marketing quotas for peanuts, and 87.3 percent of the producers voting in a referendum approved quotas for the 1941, 1942, and 1943 crops. Under the peanut marketing quota program, a national quota is established at a level slightly above the estimated demand for peanuts for edible purposes. This national quota is apportioned to the States and then to peanut farms on the bases of past acreage and cropland. The marketing quota for each farm is the actual production on its acreage allotment. All peanuts marketed in excess of the quota for a farm are subject to penalty unless delivered to an agency designated by the Secretary for crushing into oil.

Peanut growers asked for marketing quotas when it was recognized that surplus supplies would depress prices of peanuts to disastrously low levels without some form of control over marketings. Growers realized also that without this control the program for diverting excess peanuts into oil, which had been in operation since 1936, would be too costly in years when oil prices were low. With quotas, surplus peanuts move directly into oil channels, thus materially reducing the cost of the operation of the diversion phases of the program.

#### **HIGHER PRICES**

With quotas in effect, prices of edible peanuts under the 1941 diversion program were established at an average of about \$90 per ton as compared with the price level of about \$65 per ton for the 1940 crop. The 1941 oil prices, at the beginning of the marketing season for peanuts, were more than double the 1940 level of about \$30 to \$35 per ton.

#### **ACREAGE ALLOTMENT**

The 1941 peanut acreage allotment was 1,610,000 acres, the same as in 1940.



Table 13 shows State acreage allotments for commercial peanuts established under the 1940 and 1941 Agricultural Conservation Programs.

**TABLE 13.**—*State acreage allotments for commercial peanuts established under the 1940 and 1941 Agricultural Conservation Programs*

State	1940	1941	State	1940	1941
	<i>Acres</i>	<i>Acres</i>		<i>Acres</i>	<i>Acres</i>
Alabama.....	284,371	274,907	Oklahoma.....	(1)	61,607
Arkansas.....	(1)	5,473	South Carolina.....	(1)	18,375
California.....	(1)	1,257	Tennessee.....	(1)	4,766
Florida.....	74,879	73,236	Texas.....	242,225	246,373
Georgia.....	545,525	550,694	Virginia.....	137,500	141,108
Louisiana.....	(1)	353	Reserve.....	103,000	-----
Mississippi.....	(1)	2,476			
New Mexico.....	(1)	3,673	United States total.....	1,610,000	1,610,000
North Carolina.....	222,500	225,702			

<sup>1</sup> These States were not in the 1940 designated commercial peanut area, and consequently no allotments were established for them.

### THE PEANUT DIVERSION PROGRAM

During the period 1937-40, the Department operated peanut diversion programs, under which minimum prices were established for all peanuts. Those which could not be sold to the edible trade were diverted into oil with diversion payments covering the difference between the minimum price level and the then current oil price. The price established under the 1940 program averaged about \$65 per ton, and, since about one-third of the total crop was diverted into oil, the cost to the Government was approximately 8 million dollars—more than twice the cost of diversion in any previous year.

The edible-peanut trade has, during recent years, used about 75 percent of the total commercial peanut crop (i. e., peanuts harvested for nuts). The acreage of peanuts produced and diverted for oil purposes from the 1941 crop represents a substantial increase over the acreage produced for oil in previous years, and the production of peanuts for oil for next year is being urged as a part of the National Defense Program. Peanut oil ranks high among fats as a food because of its high digestibility. It is also a superior fat for frying because of its high smoke point.

### SUMMARY

To summarize, the marketing quota program for peanuts apporions the market for edible peanuts among all growers. Thus, the cost of operating the diversion program represents only that amount necessary to divert into oil any surplus of within-quota peanuts which results from a production on the national acreage allotment larger than is needed by the edible-peanut trade.

### THE PROGRAM FOR POTATOES

Growers of potatoes—one of the staples of the national diet—have had increasing difficulties in commodity markets in recent years.

Favorable growing seasons and the application of scientific methods of production have combined to produce increasing yields that have had the inevitable effect of depressing the national market price.

In this situation, the establishment of national potato acreage allotments in commercial potato areas, as a part of the agricultural conservation program, and the potato diversion program of the Surplus Marketing Administration have been the main factors operating to relieve the unfavorable supply-price situation of potato growers from Maine to Idaho. Potatoes are most extensively grown in States of the Northeast, North Central, and Western Regions.

### ACREAGE ALLOTMENT

Potato growers as a whole, realizing the nature of their problem, have cooperated with the allotment program as shown by the fact that the 2,904,300 acres planted in 1941 were 295,700 acres under the national allotment of 3,200,000 acres.

Despite this reduction in national acreage below the allotment goal, increasing yields per acre have boosted the total production. In 1941, the estimated national average yield was 129.7 bushels per acre, and the 1940 national average was 130.3 bushels per acre—an all-time record yield. Some idea of the recent surplus difficulties of the potato grower may be gained by comparing the above figures with the 10-year (1930–1939) national average of 112.6 bushels per acre.

Faced with repeated surpluses, potato growers all over the United States have signified their interest in contemplated legislation to set up a potato marketing quota system, somewhat like that now in effect for peanuts.

### THE POTATO DIVERSION PROGRAM

More than 13 million bushels of potatoes were diverted into starch and livestock feed under two programs which were conducted by the Surplus Marketing Administration during 1940–41 year.

The starch diversion program, which started September 13, 1940, and continued through June 30, 1941, resulted in the diversion of 8,120,995 bushels of potatoes. Federal payments of \$1,094,063 were made on 7,440,725 bushels meeting program specifications. With an equal amount received from starch manufacturers, producers were paid a total of \$2,188,126 for the diverted potatoes meeting specifications.

Diversions were made largely in Maine, where more than 90 per cent of the potato starch manufacturing capacity is located, and to some extent in Minnesota.

Approximately 5,248,000 bushels of potatoes were diverted into livestock feed under the 1940–41 program, which was placed in operation in February 1941. The program was conducted in the major potato-producing areas of Nebraska, Wyoming, Colorado, Utah, Idaho, Washington, Oregon, and northern California.

Payments to growers for potatoes diverted to livestock feed amounted to about \$788,000. In addition the grower received the value of the potatoes as feed or could sell them to stock feeders. To preserve this feed for livestock, many producers shredded and sun-dried it for future use.



## THE PROGRAM FOR COMMERCIAL VEGETABLES

Commercial vegetable acreage allotments were established under the agricultural conservation program in 1940 in an effort to bring about orderly marketing through the adjustment of supplies more nearly in line with demand, and thus to increase the return to truck farmers in all parts of the United States.

In 1940, commercial vegetable allotments were in effect in all counties where the 1936-37 average acreage of commercial vegetables was 200 or more, with the exception of counties in which the marketing of produce was confined to small local markets or counties in which there was no tendency toward acreage expansion.

Included in the classification of commercial vegetables were annual vegetables or truck crops which were sold, for the most part, to persons not living on farms.

In commercial vegetable areas, acreage allotments were determined by the county committee for each farm on which the average acreage of land normally planted to vegetables was 3 acres or more. Farms on which the average acreage was 1 acre or more could also be brought into the allotment program on the recommendation of the State committee and the approval of the A. A. A.

Commercial vegetable allotments virtually were suspended in April 1941, when the 1941 Agricultural Conservation Program was amended to take tomatoes, corn, peas, and snap beans grown for processing out of the commercial vegetable classification. This encouraged the planting of expanded acreages of these vegetables as a part of the food-for-defense program.

Vegetable allotments have not been established under the 1942 program.



## THE PROGRAM BY REGIONS <sup>1</sup>

For purposes of administering the A. A. A. program, the continental United States has been divided into five regions. Each region embraces a major geographic segment of the country in which the farming operations and agricultural problems fall within a certain range of similarity. The Insular Region includes Puerto Rico, Hawaii, and Alaska.

The operation of the program in each region is in charge of a division director, with headquarters in Washington, who reports to the Administrator of the A. A. A.<sup>3</sup> At the community, county, and State levels, the program is administered by farmer committees of the A. A. A.

### THE NORTHEAST REGION

More than in any other region, farmers of the Northeast Region, consisting of Pennsylvania, New Jersey, New York, Connecticut, Massachusetts, Maine, Vermont, New Hampshire, and Rhode Island, have felt the impact of the National Defense Program. With over 40 percent of the rearmament contracts of the United States concentrated in the Northeast, farmers of the region faced the task of preparing the farm plant to produce, in ever-increasing quantities, the foods necessary to meet the increased requirements of industrial workers and other defense needs.

While the defense effort brought higher prices and greater markets to Northeast farmers, these benefits have been somewhat offset by increased labor problems and a rise in prices of things farmers buy.

As in the past, the program in the Northeast Region has centered around the agricultural conservation program. Each year Northeast farmers are showing a greater interest in the soil-building and soil-conserving features offered by the A. A. A. program. For generations, since colonial times, the rolling land of the region has been under cultivation. Through hard use, much of the fertility was exhausted. Thus, the carrying out of scientific farming practices which maintain and restore the productive capacity of the soil has met with increased favor.

The flexibility of this program was demonstrated in early 1941 when provisions were adjusted to encourage increased production of foods high in nutritional value. Tomatoes, corn, peas, and snap beans grown for processing were removed from the commercial vegetable classification; thus, acreages of these crops could be expanded.

With the help of improved pastures, made possible by the conservation materials program, dairymen of the Northeast were able to respond to the appeal of Secretary Wickard for a 6- to 8-percent

<sup>1</sup> Statistics quoted throughout the report are the latest available; they may differ slightly from final figures.

<sup>3</sup> See footnote, page 90.

increase in the production of dairy products. The conservation materials program has been expanded constantly to allow farmers to receive more lime and superphosphate in lieu of cash payments for which they otherwise would be eligible under the agricultural conservation program. This phase of the program was inaugurated in the Northeast in 1938, and the quantity of lime and phosphate furnished has increased from about 40,000 tons in 1938 to 667,534 tons in 1940. Since the outstanding type of farming in the Northeast is milk production for fluid markets, the application of lime and phosphate on pasture is highly important.

Because the Northeast is predominantly an area of farmers producing for the immediate consumption needs of the great cities and closely clustered towns, acreage allotments are of secondary importance. This reliance of the dairy farmer, and the farmer producing fresh perishable foods, on the metropolitan cash market further serves to underscore the close relationship of rural and urban prosperity in the Northeast. Stimulated by the general upward trend of business activity and aided by the provisions of the agricultural conservation program, farmers in the Northeast have witnessed a graduated rise in their cash income, until most farm prices in the region approached the parity level during 1940-41.

A shortage of stored feed supplies in the Northeast was accentuated by a drought in the spring and early summer of 1941 that caused hay crop shortages and forced hay prices up. This situation was partially alleviated by the shipment of 11 million bushels of corn into eastern storage centers by the Commodity Credit Corporation. This shipment was supplemental to the A. A. A. program which encouraged the planting of emergency forage crops.

Overshadowing all other problems of the Northeast, as well as those of the rest of agricultural America, was the necessity for adjusting farm production downward or upward to meet the requirements of the Nation on the food front, without dislocating the farm plant of the post-war period.

The major program activities in the Northeast Region during 1940-41 included:

**Participation.**—In 1940 there were 227,312 Northeast farms in the program, an increase of 34,155 farms over the final figure for 1939. About 61 percent of the Northeast Region's cropland was in the program in 1940 as compared with 54 percent in 1939.

**Payments.**—Over 71 percent of all payments earned in the region were for carrying out soil-building practices as compared with 65 percent in 1939. In 1940, 234,892 farm operators and landlords in the nine States of the region—over 34,000 more than in 1939—earned \$13,870,333, gross payments.

**Soil building.**—About 4,807,908 acres—an area equal to that of the State of New Jersey—were devoted to soil-building practices in 1940, as compared with 4,273,200 acres in 1939.

**Seedings.**—New seedings of legumes and grasses were made on 1,355,359 acres in 1940, as compared with 1,161,136 acres in 1939.

**Lime and superphosphate.**—Limestone was applied to 1,400,270 acres under the 1940 program and 1,169,421 acres in 1939. Superphos-



phate was applied on 1,243,799 acres in 1940 and 1,161,136 acres in 1939.

**Green-manure and cover crops.**—A total of 452,558 acres was planted to green-manure and cover crops in 1940, as compared with 447,318 acres in 1939.

**Forestry practices.**—Forestry practices were carried out on 84,337 acres in 1940, while in 1939, 35,471 acres were devoted to these practices.

**Soil improvement.**—The application of limestone was the most widely adopted practice for the region in 1940, with 1,649,861 tons being applied to 1,400,270 acres. About 224,951 tons of superphosphate were applied to 1,243,799 acres. These are well above comparable figures for 1939.

**Conservation materials program.**—Lime and superphosphate again were offered farmers in lieu of conservation payments earned. More than 560,950 tons of lime were distributed in 1940 as compared with about 244,000 tons in 1939. In 1940, 106,584 tons of superphosphate were furnished, as against 92,253 tons in 1939.

**Wheat loans.**—Wheat loans were made only in Pennsylvania in 1940. From 51 loans in 1939 on 13,978 bushels, the number of loans jumped to 505 on 128,255 bushels in 1940. The 1940 loans totaled \$95,228.

**Crop insurance.**—The wheat crop insurance program in the Northeast was enlarged with the result that both the number of policies in effect and the acreage covered nearly trebled the 1939 figures. There were 6,775 policies in effect for Pennsylvania, New York, and New Jersey, covering a total of 78,877 acres.

**Cotton materials program.**—In an effort to aid in the reduction of surplus cotton and to benefit underprivileged families, a cotton materials program was carried out in 7 States of the Northeast Region in 1940. A total of 1,596,016 pounds of cotton, enough for 31,920 mattresses, was received for processing into mattresses by low-income rural families.

**Administration.**—The steady and substantial progress in virtually all fields of the A. A. A. program may be attributed in large measure to the successful and efficient work of farmer committeemen who administer the program locally.

## THE EAST CENTRAL REGION

The farmers of the East Central Region, where a million small, family-sized farms fit closely into the pattern of the seven-State area of highly variegated topography, used the 1940 program on a broader scale than ever before in an attempt to solve their agricultural problems.

This region, which produces 75 percent of the tobacco grown in the United States, includes Maryland, Delaware, Virginia, West Virginia, North Carolina, Kentucky, and Tennessee. These States also produce cotton, corn, wheat, peanuts, cattle, hogs, poultry, dairy products, vegetables, apples, peaches, as well as other crops.

The most enduring gains in 1940 were made in dealing with a serious erosion problem by a general stepping-up of the use of soil-

conservation practices. The marketing quota provisions of the A. A. A. program also were used on a wider scale in adjusting supplies of crops whose export outlets had been affected drastically by the outbreak of the European war.

During the year producers of four kinds of tobacco, wheat, peanuts, and cotton joined with farmers in other regions in applying quotas to their crops. Other features of the program applicable to East Central farmers were parity payments; commodity loans on cotton, wheat, corn, and tobacco; and wheat crop insurance.

Added emphasis was placed on the use of conservation materials, in lieu of cash payments, by farmers cooperating in the agricultural conservation program. Agricultural limestone, superphosphate, and winter legume seed were distributed as conservation materials. More than one-half of all agricultural conservation payments in the region in 1940 were for soil-building practices. Broad increases in diversification were noted in some parts of the region, with certain food and feed crops being grown in greater quantities.

Farm income in the region during 1940, accruing from sales of commodities and including Government payments, totaled 810 million dollars. This was an increase of 4.5 percent over the region's farm income for 1939. Among the factors contributing to this increase were the A. A. A. program and the trend toward larger national purchasing power resulting from accelerated production for national defense.

Progress was made during the year toward the long-time objective of controlling erosion and increasing soil fertility by growing more cover crops. Results of better farm management were reflected in the improved rotations followed by farmers participating in the program. East Central farmers are markedly reversing the trend of soil exploitation in this area, which probably reached its peak in the World War I period. Hillsides are being turned from the red and gully-scarred manifestations of erosion to the protective green of soil-improving grass. Well-managed pastures, more and better hay fields, and scientifically handled forests are all evidences of progress under the program.

The major program activities in the East Central Region during 1940-41 included:

**Participation.**—About 85 percent of the cropland in the region, or 33,900,000 acres, was covered in the agricultural conservation program for 1940, representing an increase of 18 percent over 1939. The 1940 agricultural conservation program covered 709,551 farms in the region, involving an estimated 1,031,000 farm families, including tenants and sharecroppers.

**Conservation payments.**—Total gross agricultural conservation payments in 1940 amounted to approximately \$41,112,000, of which \$20,000,000 was for carrying out soil-building practices, and the remainder for planting within acreage allotments. This total payment was about 12 percent greater than the 1939 total.

**Soil building.**—The soil-building accomplishments in the region were sustained at higher levels than in 1939, due mainly to the in-

creased proportion of farms using lime and phosphate and the larger amounts of the conservation materials used. There was also a substantial boost in the acreage devoted to cover crops and green manure crops.

**Lime and superphosphate.**—Upwards of a million tons more lime was applied in 1940 than in 1939, bringing the region total for the year to 3,393,000 tons. Two-thirds more superphosphate for conservation purposes was delivered in 1940 than had been used in any previous year by farmers in the region. Nearly 2,000 trains of 50 cars each would be required to carry all the lime and superphosphate used on soil in the States of the East Central Region during the 1940 program year. About half of the region's payments for soil-building practices in 1940 were for the use of lime and superphosphate. Approximately 29 percent of the lime and 90 percent of the superphosphate used under this program were furnished to farmers as conservation materials in lieu of cash payments.

**Legume and grass seedings.**—Although the acreage of new seedings of grasses and legumes in 1940 was slightly less than in 1939, the proportion of farmers (63 percent) reporting this practice was higher than for any previous year.

**Forestry practices.**—The 17,141 acres on which forestry stands were improved in 1940 were almost three times the acres improved in 1939. The 10,050 acres of forest trees planted in 1940 represented a substantial increase over the acreage planted to trees in 1939.

**Terracing.**—Almost 34 million linear feet of terraces were constructed in 1940, which was an increase of 10 percent over 1939.

**Parity payments.**—A total of 449,440 East Central Region farmers received 1940 parity payments amounting to \$10,044,529. Cotton parity payments totaled \$8,293,574; wheat parity payments amounted to \$1,450,221; and corn parity payments (Kentucky only) totaled \$300,734.

**Marketing quotas.**—During the period covered by this report, East Central farmers voted on and approved marketing quotas for flue-cured, burley, fire-cured, and dark air-cured tobacco, cotton, peanuts, and wheat.

**Tobacco loans.**—A total of \$37,708,000 was loaned on 200,000,000 pounds of 1940 flue-cured tobacco, including that produced in States outside the East Central Region. Burley growers of the Nation were loaned \$3,786,000 on 26,235,000 pounds of their 1940 crop, and 46,101,000 pounds of 1940 fire-cured leaf were placed as collateral on loans amounting to slightly more than \$4,000,000.

**Cotton loans.**—In the East Central Region, loans in the amount of \$4,589,054 were made on 75,293 bales of cotton.

**Wheat loans.**—About 3,200 wheat loans were made to East Central producers for a total of \$871,335.

**Corn loans.**—In Kentucky (commercial corn area), 66,690 bushels of corn were placed in storage for loans amounting to \$40,802.

**Crop insurance.**—Farms in the region totaling 6,291 were covered by 1941 wheat crop insurance, as compared with 4,253 farms in 1940. The 1941 insurance represented an insured production of 1,471,163 bushels.



**Administration.**—State, county, and community committeemen of the A. A. A. are constantly assuming roles of increased importance in the administration of the farm program. Through them farmers are able not only to learn about the operation of the machinery for making required adjustments in agriculture, but they can obtain essential information about their part in the defense program. In this way farmers in the East Central Region are keeping abreast of the changing situation facing the Nation's basic industry.

## THE SOUTHERN REGION

The Southern Region includes the States of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Oklahoma, South Carolina, and Texas.

The outstanding progress made in the nine-State area, comprising the Southern Region, for the year 1940-41 was a change in the program provisions which placed greater emphasis upon erosion-resisting and soil-conserving crops. Augmenting this phase of the program were acreage allotment, marketing quota, and loan features of the farm program, which put a strengthened foundation under Southern agriculture.

Another mark of progress in the Southern Region during 1940 was a small increase in cash farm income per capita, despite chaotic world conditions. Prices on the major crops have been bolstered by marketing quotas and loans.

Farmers who formerly were forced to depend on 5-cent cotton for a scant living immediately prior to the A. A. A. program have seen that price more than tripled in the last 8 years. The soil which was rapidly becoming depleted is responding readily to the A. A. A. conservation program. This is reflected in better cotton yields. For example, the 5-year average cotton yield for the United States before the A. A. A. program (1928-32) was 173 pounds per acre. For the past 5 years (1936-40), the average per acre yield for the United States had increased to 240 pounds. Acreage allotments have released more land from production of strictly cash crops for the production of food and feed crops as part of a live-at-home program.

The expansion of production of food for home use in 1940 was especially encouraging in view of the urgent need for more nutritional foods in the South. The A. A. A. garden practices and supplementary food practices have added greatly to the South's home and defense needs. Garden practices were supplemented in February 1941 by a program which encouraged the drying, canning, and storing of foods for home use.

In order to encourage a better balanced system of farming, seven States in the region last year adopted plans requiring the accomplishment of increased conservation, in earning A. A. A. payments, as a substitute for the total acreage-allotment provisions in the program. Under the acreage-allotment method, the farmer could earn full payment simply by planting within his total allotment. The substitute plan made it necessary for a farmer to plant a certain percentage



of his cropland in erosion-resisting, soil-building crops in order to qualify for full payment on allotment crops.

The character of the soil, climate, and methods of farming in the South have long been the principal causes of depleted soil. The results which will be obtained from the new system are obvious. Many areas will have to double their acreages of close-seeded crops to meet the goals.

Among the major program activities in the Southern Region during 1940-41 were:

**Participation.**—Approximately 90 percent of the cropland in the region was included in the A. A. A. conservation program in 1940. The number of payees in connection with the 1940 program was approximately 2½ million, which represents a slight increase over 1939.

**Conservation payments.**—Total gross 1940 agricultural conservation payments amounted to approximately 141 million dollars.

**Lime and superphosphate.**—Approximately 397,000 tons of lime and 187,000 tons of superphosphate were applied in the region in 1940.

**Conservation materials furnished.**—In 1940, 251,364 tons of liming materials were furnished to farmers in lieu of cash payments, as compared with 95,125 tons in 1939. About 73,124 tons of superphosphates were furnished in lieu of cash payments in 1940; the amount furnished in 1939 was 10,598 tons.

**New seedings.**—In 1940, 5,753,803 acres were devoted to seeding of legumes and grasses and to permanent pastures, as compared with 4,849,210 acres in 1939.

**Forestry practices.**—There were 120,611 acres on which forestry practices were carried out in 1940 as compared with 82,075 acres in 1939.

**Terracing.**—Approximately 242 million linear feet of terraces were constructed in 1940; about 316 million linear feet were constructed in 1939.

**Parity payments.**—The number of payees and payments made under the 1940 parity programs are as follows: A total of 2,225,277 payees received \$79,450,000 on cotton, 165,703 payees received \$6,960,000 on wheat, and 12,941 payees received \$1,051,000 on rice.

**Marketing quotas.**—During 1940-41, Southern Region farmers voted on and approved quotas for cotton, flue-cured tobacco, peanuts, and wheat.

**Cotton loans.**—Loans were made on 2,628,965 bales of cotton in the region under the 1940 cotton loan program.

**Wheat loans.**—Around 39,710,210 bushels of wheat were covered by loans in the region in 1940.

**Crop insurance.**—The number of farms covered by wheat insurance in 1941 was 35,322, and represented an insured production of approximately 12 million bushels.

Provision has been made for the extension of crop insurance to include cotton in 1942.

Table 14 shows a comparison of agriculture in the Southern Region with that in the United States for 1940.

TABLE 14.—*Information relative to agriculture in the Southern Region, and comparisons with the United States, 1940*

Item	Southern Region	Percent, United States
Total land area.....square miles.....	672,701	22.6
Total cropland harvested.....acres.....	78,340,555	24.4
Farms.....number.....	1,903,047	31.2
Farm population.....do.....	10,415,772	34.2
Farm income <sup>1</sup> .....1,000 dollars.....	1,731,956	19.0
Harvested acreage of specified crops:		
Cotton.....1,000 acres.....	21,180	88.8
Wheat.....do.....	7,172	13.4
Rice.....do.....	933	88.8
Peanuts.....do.....	1,479	77.6
Corn.....do.....	23,248	26.9
Tobacco:		
All types.....acres.....	171,300	12.0
Flue-cured.....do.....	166,000	22.2
Sugarcane.....acres.....	394,400	100.0
Truck crops, commercial.....do.....	767,330	25.4
Citrus fruits <sup>2</sup> .....do.....	422,512	56.0
Participating farms (1940 A. C. P.).....number.....	1,446,066	34.0
Marketing quotas: <sup>3</sup>		
Cotton, acreage allotments.....do.....	1,333,388	84.0
Tobacco, acreage allotments (flue-cured and burley).....do.....	61,169	14.0
Tenants and sharecroppers.....do.....	1,058,637	44.8
1940 Agricultural Conservation Program:		
Payees.....number.....	2,496,807	42.2
Estimated payments.....dollars.....	141,130,000	32.0
1940 Parity Program:		
Cotton—		
Payees.....number.....	2,225,277	84.0
Estimated payments.....dollars.....	79,450,000	83.0
Wheat—		
Payees.....number.....	165,703	10.9
Estimated payments.....dollars.....	6,960,000	12.5
Rice—		
Payees.....number.....	12,941	93.1
Estimated payments.....dollars.....	1,051,000	80.9

<sup>1</sup> Cash income from marketings and Government payments.

<sup>2</sup> Does not include trees of nonbearing age. Based on 1939 estimated acreage. Figures are for 4 States and exclude a small acreage of oranges in Alabama, Mississippi, and Louisiana.

<sup>3</sup> Based on number of acreage allotments (1940 Agricultural Conservation Program). Marketing quotas were in effect on cotton, flue-cured tobacco, and burley tobacco in 1940.

## THE NORTH CENTRAL REGION

The North Central Region not only constitutes the major area in the production of corn, hogs, dairy products, and finished livestock but also provides a fairly representative cross section of American agriculture. In addition to those major products, cotton, wheat, tobacco, fruits, commercial vegetables, sugar beets, and range products are found in the region's 10 States—Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin.

Thus, the region has, in varying degrees, the farm problems found throughout the United States. In general, it is dependent upon a high consumer purchasing power inasmuch as its chief products—pork, beef, and dairy products—are those for which demand varies largely with general economic conditions.

The year 1940-41 had two more or less distinct phases for farmers in the North Central Region, roughly coinciding with the two half-year periods.

During the last half of 1940, the outlook for hogs began to show signs of improvement. Rising consumer demand, growing out of increased industrial activity which was stimulated by the national defense program, was making itself felt in the farm market.

Nevertheless, the full, eventual effects of this situation at home and the impacts of war abroad were not entirely clear.

During the first half of 1941, however, the Corn Belt farmer's position changed from one of indecision to immediate action. Sharply rising domestic demands, passage of the Lend-Lease Act, and commitment of the United States to all-out aid for nations resisting aggression abroad clarified the need for increased production of certain agricultural products. This situation resulted in the April 3 announcement of the Secretary of Agriculture, calling for increased production of pork, dairy products, poultry, and eggs. This was followed by other requests for increases in the production of soybeans for oil, dry edible beans, and certain vegetables for canning. All of these are important products of the region, and the opportunities, responsibilities, and effects of the increased production upon farmers in the North Central area were of major importance. At the same time, as the Secretary pointed out, the need remained for continued stabilization and adjustment in the production of certain surplus crops, notably corn, wheat, cotton, and tobacco.

Thus, it may be said that during 1940 Corn Belt farmers were using the adjustment program to stabilize and protect their production and income in the face of uncertain economic conditions at home and abroad. In 1941 they proceeded to use the same program to secure an unprecedented increase in the production of needed agricultural commodities without aggravating the surpluses of certain export crops.

Following is a brief summary of the major 1940-41 program activities in the North Central Region:

**Participation.**—Participation in the A. A. A. program remained about the same as in 1939, with approximately 1,400,000 application farms in 1940. This represented approximately 75 percent of the region's cropland.

**Payments.**—Gross payments to farmers amounted to more than \$173,235,413, including increases in small payments. Except for these increases, this amount was divided as follows: Corn adjustment, \$76,717,584; wheat adjustment, \$13,258,546; potato adjustment, \$1,084,608; cotton adjustment, \$2,111,883; adjustment of soil-depleting crops, \$36,710,363; soil-building practices, \$26,525,485; and range conservation, \$545,572. Parity payments on wheat, cotton, and corn are not included in the above totals.

**Soil conservation and improvement.**—Conservation and soil-building practices carried out in 1940 were about three times greater than in 1939. In the application of fertilizers superphosphate led the list with an increase from 4,800 tons in 1939 to 35,704 tons in 1940. The application of limestone was increased from 1,970,000 tons on 92,000 farms in 1939 to 6,505,000 tons on 339,000 farms in 1940. Increases of more than 100 percent also were made in the use of potash and orchard mulches.

Permanent grass seedings were stepped up from 23,075,721 acres in 1939 to 23,196,143 acres in 1940.

Reservoirs and dams were constructed on nearly 19,000 farms under the farm program, as compared with less than 6,000 in 1939. Terracing and contour furrows on pastures were increased over 200



percent with a comparable increase in cropping practices to control wind erosion.

**Conservation materials program.**—The furnishing of lime and phosphate, in place of conservation payments earned, was begun on an experimental basis in a few Ohio and Indiana counties in 1939. In 1940 this was expanded to include Illinois, Indiana, Iowa, Missouri, Ohio, and Wisconsin, with the addition of Minnesota for phosphate. This accounted, in part, for the great increase in the use of these materials, with 1,327,290 tons of limestone and 15,218 tons of triple superphosphate being furnished farmers under this phase of the program in 1940. With the extension of this service to both Michigan and Minnesota in 1941, estimates are that 3½ million tons of limestone, 60,000 tons of 20 percent superphosphate, and 25,000 tons of triple superphosphate will be furnished farmers directly in 1941.

**Range and water conservation.**—The range program in South Dakota was combined with the agricultural conservation program in 1940. Nebraska, only other range State in the region, maintained a separate program through 1941 with combination of the two programs planned for 1942.

Stock water developments led the list of conservation practices on the ranges of these two States in 1940. The construction of earthen tanks and reservoirs was doubled, with new wells showing a similar increase over 1939. In addition, about 50 percent more natural watering places were developed than in the previous year.

**Sugar beets.**—About 330,000 acres of sugar beets were operated by 34,000 producers, who received payments totaling nearly 6 million dollars under the sugar program in 1940. The bulk of the payments were made in Michigan and Nebraska where more than 20,000 producers received about 3.5 million dollars.

**Other commodities.**—Other commodity programs in 1940 included: Cotton in Missouri and Illinois; tobacco in Ohio, Missouri, Minnesota, Indiana, Illinois, and Wisconsin; potatoes in all States except Illinois and Iowa; commercial vegetables in all States except Nebraska and South Dakota.

**Corn loans.**—On July 1, 1941, more than 285 million bushels of corn were under Government loan in the region. This was about 99 percent of the total under loan in the Nation.

**Wheat loans.**—Nearly 185,000 wheat loans were made in 1940 on approximately 74 million bushels, with a loan value of more than 56 million dollars.

**Other loans.**—Barley loans were offered for the first time and rye loans were continued.

**Crop insurance.**—Wheat crop insurance continued its steady increase in popularity. More than 216,000 contracts were written covering the 1940 crop, as compared with 93,000 the year before, and 256,000 for 1941.

**Administration.**—As in the past administration of the program remained in the hands of farmers, through county and community committees.



## THE WESTERN REGION

The Western Region includes the States of Arizona, California, Colorado, Idaho, Kansas, Montana, Nevada, New Mexico, North Dakota, Oregon, Utah, Washington, and Wyoming.

For farmers of the 13 States in the Western Region, the year 1940-41 was a period of general advancement against a variety of problems. Some of these problems were new, the result of a new European war, but in the main they were the familiar problems stemming from the World War, from the region's climate and topography, and from the virtually complete dependence on markets outside the area.

Wheat growers on the plains and in the Northwest and fruit growers on the Pacific Coast, in particular, were confronted by the impacts of the new war. Export markets, which had been highly important in the development of these industries in the West, were vanishing behind military and economic blockades. Wheat growers met this problem by more extensive use of the A. A. A. program for wheat and as a result were able to support their prices and incomes well above the world level. Increased domestic buying power, coupled with the operations of Government marketing programs and the beginning of lend-lease purchases, served to offset, to a considerable degree, the effects of the diminishing fruit-export outlets.

For the cattlemen and sheepmen on the range and a majority of farmers producing a wide range of special crops and vegetables in the irrigated areas, the problem, in the main, was that of meeting the demands of an expanding domestic market without the overcapitalization, overdevelopment, overstocking of ranges, and overoptimism that characterized the World War period. Here the conservation programs, both for range and farm land, provided safeguards against repetition of similar developments. In the first place, conservation practices over a period of years were assuring producers an increased productive capacity that could be called upon as needed. In the second place, the increased emphasis placed on range and farm management was serving as a check on the type of speculative expansion that had overtaken the West before.

An important factor in a permanent agriculture in parts of the region, and a factor to be considered in all sections, is the uncertainty of weather and the highly variable crop yields. Not only do droughts affect large portions of the area in occasional years, but in nearly every year some portions are affected by lack of moisture.

During 1940, the progress against this chronic problem of the region was carried forward with great strides. Measures for meeting the conservation problems of individual areas, counties, and farms were expanded. Practices designed to meet the specific wind and water erosion problems of each particular area showed increases.

The region's agriculture continued, generally, to swing to soil-conserving methods of farming, and the program provided additional stimulus for adjustments to the type of agriculture best suited to the land and the weather.

A summary of major program activities in the Western Region during the 1940-41 program year follows:

**Participation.**—Participation showed a general increase over 1939. About 80 percent of cropland was included in the program as compared with 73 percent in 1939. A total of 479,000 farms and ranches participated as compared with 439,000 in 1939.

**Payments.**—Gross payments to farmers in the Western Region under the 1940 Agricultural Conservation Program amounted to \$72,-116,464. Parity payments for 1940 totaled \$36,707,000.

**Conservation.**—Both the number of practices and the number of soil-building units carried out in 1940 were higher than in 1939. More farms carried out one or more practices.

**Wind-erosion control.**—The localized wind-erosion-control-practice program was adopted in 1940 by a vote of farmers in 10 Kansas counties. This area was further expanded in 1941 to include 33 Western Region counties in Kansas, New Mexico, and Colorado. Practices to control wind erosion were more widespread. The amount of acreage protected by natural vegetative cover or small-grain stubble was doubled. The practice of leaving stalks of sorghums on land as protective cover increased from 156,000 acres in 1939 to 2,600,000 acres in 1940, and strip cropping increased from 3,739,000 to 4,553,000 acres.

**Soil improvement.**—Seedings of legumes and grasses increased from 4,887,000 acres in 1939 to 5,255,000 acres in 1940. Green-manure and cover-crop acreage jumped to 2,219,000 acres from 1,902,000 acres in 1939.

**Water conservation.**—Practices designed to conserve water continued to receive great emphasis. The most popular practice was construction of dams for providing water for livestock. Nearly 26,000 were built, including reservoirs, spreader dams, and check dams.

**Range program.**—The number of operators and the acreage of range land under the program has steadily increased as a greater variety of practices has been offered to assist operators in meeting localized conservation problems. One of the greatest gains, not measured in the amount of payments earned, has been the increased recognition on the part of range operators of their responsibility to care for and build up the range as a resource vital to their own livelihood and the national welfare.

**Conservation materials program.**—Lime, phosphate, and cover-crop seeds were offered farmers in lieu of conservation payments earned. More than 10,000 tons of triple superphosphate were distributed in 1940 as compared with 4,000 tons in 1939. Limestone was offered for the first time in 1940, and about 10,000 tons were distributed.

**Crop insurance.**—Twice as many wheat farms were insured in 1940 as in 1939. For 1941 premiums were paid on about 120,000 insurance contracts.

**Wheat loans.**—The number of loans and the volume of wheat stored in 1940 nearly doubled figures for 1939. About three-fifths of all United States wheat under loan in 1940 was in Western Region States.

**Barley loans.**—A barley loan was first offered on the 1940 crop. About 3,420,000 bushels were stored on Western Region farms, 258,000 bushels in public warehouses.

**Rye loans.**—In Western Region States, 2,453,000 bushels of rye were under loan in 1940 as compared with 887,000 bushels under the 1939 program.

**Grain sorghum loans.**—About 78,000 bushels were put under loan in Kansas and Colorado.

**Cotton.**—Cotton growers in the Southwest gave the 1941 cotton marketing quota an overwhelming vote of approval. Arizona voted for quotas by 97.4 percent, California by 89.1, Kansas by 94.7, and New Mexico by 93.3 percent. Approximately 56 percent of the crop was put under loan.

**Sugar.**—Conservation practices were carried out on nearly 1.5 million acres under sugar programs. Practices included seedings of legumes and grasses, and use of green-manure crops and fertilizer.

**Administration.**—Greater responsibility for local administration was carried by farmer committeemen and farmer fieldmen. Farmers likewise were called upon to serve in key posts throughout the regional organization.

## THE INSULAR REGION

The program in the Insular Region, which is administered by the Division of Special Programs, includes Alaska, Hawaii, and Puerto Rico. While sugarcane is the major commercial crop in Hawaii and Puerto Rico, tobacco, coffee, vegetables, and fruits are also important, as are pineapples, truck crops, range livestock, and dairying in Hawaii. The chief products of the limited number of farms in Alaska are livestock, livestock products, potatoes, and other vegetables.

The principal program activities in the Insular Region during 1940-41 were:

**Participation in the agricultural conservation program.**—A total of 89,245 farmers participated in the agricultural conservation program. Participating farms included approximately 1,193,740 acres of cropland and 1,716,000 acres of pasture and range land.

**Participation in the sugar program.**—All of the sugarcane growers in the region, numbering about 16,000, participated in the sugar program carried out in accordance with the Sugar Act of 1937.

**Agricultural conservation and parity payments.**—Of \$1,248,000 paid to farmers under the 1940 Agricultural Conservation Program, approximately three-fourths was for carrying out soil-building practices and one-fourth was in connection with acreage allotments. Parity payments totaling \$2,232 were made to 60 rice producers in Hawaii under the Price Adjustment Act of 1938.

**Sugar payments.**—Payments made in connection with the 1940 sugar crop in Hawaii and the 1940-41 crop in Puerto Rico amounted to approximately \$18,000,000. Because of the provision for reducing the rate of payments for large farms, the average amount paid per hundred pounds of sugar was less in the Insular Region than in other areas.

**Agricultural conservation.**—The most important soil-building practices carried out were planting conserving crops on cropland and reseeded pasture and range land. Other practices included planting and maintaining trees; contour cultivation; terracing; constructing water-diversion ditches; eradicating pasture-destroying plants; and applying lime, phosphate, and crop residues to the soil.

**Acreage allotments.**—Acreage allotments, totaling 30,000 acres, were established for tobacco growers in Puerto Rico, and the allotted acreage for rice growers in Hawaii totaled 800 acres.





# THE SUGAR PROGRAM

## DEVELOPMENTS IN 1940-41

During the past year the domestic sugar industry continued to operate profitably under the sugar quota system, and record supplies of sugar at reasonable prices were made available to meet the increased demands of consumers in 1941. The retail price of sugar in the United States during the period July 1, 1940, to June 30, 1941, averaged 5.3 cents a pound, as compared with 5.5 cents a pound in the preceding 12 months. The latter period included September 1939 when a sugar buyers' rush to stock up, following the outbreak of the European war, drove sugar prices to the highest level in many years.

## HEAVIER MOVEMENT OF SUGAR

The year 1941 had hardly started when reports began to spread in sugar-trade circles that, because of probable ocean-transportation difficulties, the Philippines, and perhaps Hawaii and other offshore areas also, would be unable to fill their 1941 sugar quotas for marketing in continental United States. Following the spreading of such rumors and despite statements by Government officials concerning available supplies, purchases of sugar increased greatly, refined sugar deliveries in the first 3 months of 1941 being almost a million tons above those in the corresponding period of 1940. Much of this sugar, it later developed, was being added to sugar reserves of manufacturers, housewives, and other users of sugar, although increased consumption resulting from a general rise in purchasing power and a growing amount of speculation also were contributory causes of the heavier movement of sugar.

However, statements on supplies, made in March by the Department and by the National Defense Advisory Commission, supported as they were by the ready availability of such supplies from the Ever-Normal Granary for sugar, which had been built up under the sugar program, apparently calmed buyers, for sugar deliveries in the second quarter of the year returned to normal.

## PRICE CEILING

Although increasingly large supplies of sugar were made available to consumers in 1941 through repeated quota increases in accordance with the provisions of the Sugar Act, and total 1941 marketing quotas had been increased to the point that would assure consumers at least 7,769,621 tons, or a million tons more sugar than were actually consumed in 1940, an abrupt and sharp price rise developed in late July and early August. On August 14, 1941, the Office of Price Administration and Civilian Supply found it necessary to place a ceiling on the price of raw sugar "to protect the American public from rampant speculation in sugar, which has been pushing prices far above levels justified by large supplies on hand."

## LEGISLATION INTRODUCED

The impression that, because of marine shipping difficulties, the Commonwealth of the Philippines would fall short by several hundred thousand tons of filling their 1941 quota had led to the introduction of legislation in both Houses of Congress early in 1941, which provided that, in the event of a Philippine deficit, the deficit be re-allotted to domestic areas instead of to foreign countries other than Cuba, as existing law provided. However, later developments indicate that all but a small portion of the 1941 duty-free Philippine quota will be filled.

## EFFECT OF PROGRAM ON INCOME OF DOMESTIC PRODUCERS

### SUGAR-BEET GROWERS

It is anticipated that under the sugar program sugar-beet growers will receive an average of about \$7.10 a ton of beets, including conditional payments, or approximately 100 percent of parity, for the record 1940 crop, compared with \$6.70 a ton for the 1939 crop. These figures do not include the special conditional payments which the act authorizes in cases of acreage abandonment or crop deficiency due to drought, freeze, or other natural disaster. The total income of these growers was expected to be about \$86,500,000 for the 1940 crop of 12,192,000 tons of beets, as compared with around \$72,200,000 for the 1939 crop of 10,781,000 tons. Conditional payments included in these totals amounted to \$22,700,000 and \$20,900,000 for the 1940 and 1939 crops, respectively.

### LOUISIANA GROWERS

The 1940 Louisiana crop of 2,925,000 tons of sugarcane brought growers a total income of about \$10,600,000, or approximately \$3.62 a ton, not including abandonment and deficiency payments. Besides conditional payments of about \$2,600,000 on sugar recovered from sugarcane harvested, growers' total income from the 1940 crop, which was severely damaged in quantity and quality by freeze, flood, and storm, will be further increased by approximately \$750,000 in abandonment and deficiency payments. The total income of Louisiana growers from the 1939 crop of 5,069,000 tons was \$19,600,000, or approximately \$3.87 a ton, of which about \$5,000,000 represented conditional payments.

### FLORIDA GROWERS

About 83 percent of the Florida sugarcane crop is grown by one processor-producer. Growers who produced the remainder received a total income of approximately \$4.60 a ton of cane, including conditional payments of \$1.25 a ton. The income of these growers from the 1939 crop averaged \$3.80 a ton.

### HAWAIIAN AND PUERTO RICAN GROWERS

It was estimated that the total income of Puerto Rican growers from the 1940-41 crop of about 7,750,000 tons of sugarcane would be

approximately \$44,300,000. The total return from the 1940 sugar crop in Hawaii, where 90 percent of the sugarcane is produced by processor-producers, was somewhat below that received for the previous crop. The income from the 1940 crop included approximately \$8,850,000 in conditional payments.

### INCOME OF PROCESSORS

For their last fiscal year, which ended December 31, 1940, or in early 1941, the stated net income of eight beet-sugar processors, covering 80 percent of the industry, averaged 8.53 percent of their reported capital and surplus, based on sugar sales from the 1939 and 1940 crops. Three Puerto Rican processor-producers, covering about 30 percent of the 1939-40 crop, reported net income for the fiscal period which ended in the summer of 1940 equal to 6.27 percent of their stated net worth. Twenty-five Hawaiian processor-producers, representing about 85 percent of the industry, earned a total net income, including Government payments, on the 1939 crop of 3.67 percent of their stated net worth for the 1939 calendar year.

The processor-producer in Florida, who produced about 94 percent of that State's 1940 crop of sugar, reported a 12.33 percent net return on stated net worth for the fiscal year ended June 30, 1941, while two corporations in Louisiana engaged in the combined operations of cane growing, raw-sugar production, and sugar refining stated their net income, for the 1940 crop period, as 1.80 percent of their average net worth.

### QUOTA ADMINISTRATION

The initial 1941 estimate of consumer sugar requirements in the continental United States of 6,616,817 short tons, raw value, and the division of this total among the various sugar-producing areas supplying this market was announced December 7, 1940.

On March 19, 1941, after the Department had come into possession of complete data on stocks, distribution, and other factors for the calendar year 1940, which showed, among other things, that domestic sugar distribution that year had been the largest in more than a decade, the 1941 consumption estimate was increased to 6,851,889 short tons. Preliminary figures on sugar deliveries by cane-sugar refiners, beet-sugar processors, and importers in January and February 1941 had also indicated a substantial increase over such movements in the corresponding period of 1940.

### NEAR RECORD DELIVERIES

When figures on sugar distribution for March became available, they showed that deliveries totaling 1,040,000 tons had been made in that month alone. These were the heaviest deliveries on record except for September 1939, the month in which the war in Europe started, and March 1937, when anticipation of a sugar processing tax had led to tremendous sugar purchases.

Statements to consumers were issued during March by the Sugar Division and the National Defense Advisory Commission, pointing out that 1941 sugar supplies would be ample to meet requirements of



consumers. The Bureau of Agricultural Economics later supported these statements by emphasizing that the 1941 season's production, together with relatively large carry-over stocks, "assures a total supply available to the United States well in excess of the current marketing quota and in excess of consumption during any year of the past. Besides this supply, there is in prospect well over a million tons of sugar available to the United States in other Western Hemisphere countries." It also pointed out that the world supply of sugar for the 1940-41 marketing year was the largest on record. Deliveries of sugar in April were only about half those of the preceding month.

On April 11, the duty-paying portion of 73,232 tons of the 1941 Philippine quota then in effect was reallocated, in accordance with the act, to foreign countries other than Cuba.

On May 6, the Sugar Division announced a return to the practice of permitting importers to bring sugar into the continental United States under bond for processing and export, without being required to turn over to customs' custody an equivalent quantity of quota sugar. It also announced that during the calendar year 1941 over-quota sugar could be released under bond by collectors of customs for refining and return to customs' custody within 30 days, or within any longer period that the Department might establish. These practices, after having been in effect since 1937, were suspended in the last 2 months of 1940 because of the heavy price-depressing supplies then available.

### CONSUMPTION ESTIMATE INCREASED

On June 9, following receipt of full data on stocks, distribution or usage, and other factors for the first part of the year, the 1941 sugar-consumption estimate was again increased, this time to 7,125,561 tons. This increase made necessary another reallocation of the duty-paying Philippine deficit of 42,173 tons to foreign countries other than Cuba.

However, anxiety as to prospective supplies was being manifested, and, on June 21, the Department issued a statement on sugar policy, which read, in part, as follows:

On June 9, 1941, an increase in the total quota supplies of sugar was announced by the Department. The quantity of 7,125,561 short tons of sugar established was deemed, on the basis of information then available to the Department, to be sufficient to meet actual consumption requirements for the calendar year 1941 and to provide reserve stocks equal to the average of prior years. However, investigations of the Sugar Division of the Agricultural Adjustment Administration, indicated that with the augmented industrial pace resulting from the national defense effort, buyers and consumers built up larger stocks of refined sugar than in previous years during the first three months of this year. Should this situation continue and if it becomes clear that for the duration of the emergency buyers and consumers wish to carry larger working stocks than in prior years, it will be the policy of the Department to increase quota supplies accordingly.

### QUOTA ADJUSTMENTS

In accordance with this policy, the Secretary, on July 19, increased total 1941 sugar marketing quotas from 7,125,561 to 7,627,563 tons.

However, the necessity of tapping the sugar reserves in certain areas to offset deficits in other areas made necessary a further read-



justment in the 1941 quotas. On July 30, quotas were increased to 8,006,836 tons. It was announced at the time that this increase and the accompanying reallocation of deficits in the mainland cane and Hawaiian quotas and of the duty-paying portion of the Philippine quota would make available 7,769,621 tons, or about a million more than the 6,736,000 tons of sugar actually consumed in 1940. This quantity of sugar, it was felt, would take care of increased consumption and of increased working stocks for refiners, wholesalers, retailers, and housewives.

On August 29, in order further to tap available sugar reserves in certain areas, the 1941 quotas were increased for the fifth time, going to 9,002,976 tons. This action was also accompanied by reallocations of mainland cane, Hawaiian, and Philippine quota deficits.

On September 24, in accordance with the Sugar Act of 1937, the portion of the 1941 quotas for foreign countries other than Cuba, which were in effect on July 1 and which were unfilled on September 1, was reallocated to Peru, Haiti, and the Dominican Republic, since these three countries had met their July 1 quotas.

### MARKETING ALLOTMENTS

Since total 1941 sugar supplies in the continental beet area, mainland cane area, and Puerto Rico were expected to be substantially greater than the area marketing quotas for the year, the allotment of the quotas for these areas was again necessary in order to assure all processors a fair opportunity to market sugar and to prevent disorderly marketing. At the time these allotments became effective, the beet area's quota was 1,589,100 tons, that of the mainland cane area 430,794 tons, and that of Puerto Rico 818,166 tons. However, when the quotas of the last two of these areas were increased to 503,408 and 956,075 tons, respectively, on July 30, 1941, and that of the beet area was raised to 2,230,037 tons on August 29, processor marketing allotments were no longer deemed necessary and were rescinded accordingly by the Secretary.

Marketing allotments covering the 126,033 tons of their total sugar quota for continental United States, which Puerto Rican processors may market for direct consumption, remained in effect. Puerto Rico is limited to this figure by the Sugar Act of 1937.

### ADMINISTRATION OF CONDITIONAL-PAYMENT PROGRAMS

The conditional payments authorized by the Sugar Act of 1937 are made to growers who comply with the "proportionate shares" or acreage allotments for their farms, pay fair wages to field laborers, refrain from employing child labor, and carry out soil-conserving practices. Growers who are also processors and who wish to receive these payments likewise are required to pay fair prices for cane or beets bought from other growers. Public hearings and investigations precede the establishment by the Secretary of fair wages for field laborers and fair prices for cane and beets.

**PROPORTIONATE SHARES FOR GROWERS****CONTINENTAL BEET AREA**

Excessive stocks of beet sugar, following 3 years of record production, made necessary in 1941 the first acreage reduction in the continental beet area as a whole since the sugar quota system began in 1934. The Sugar Act specifically prevents payments to growers on more sugar than is needed to enable their area to fill its marketing quota and provide a normal carry-over inventory. On January 1, 1941, the effective inventory of beet sugar totaled more than 1,750,000 short tons, raw value, as compared with 1,415,000 tons on January 1 of the preceding year, and with approximately a million tons in earlier years. The initial 1941 marketing quota for the beet area was 1,549,898 tons.

The 820,000 acres for distribution in the beet area in 1941 represented a reduction of 16.2 percent from the 1940 acreage, and, in order to distribute this acreage equitably, officials of the Sugar Division first sought the views of growers and processors at a series of public meetings in the various parts of the beet area.

The formula used to divide the total national beet acreage among the various sugar-beet-growing districts was substantially the same as that employed in 1939, the only other year under sugar-control legislation in which restrictive acreage allotments to beet growers were required, although the total beet acreage distributed that year did not represent any reduction. In accordance with the provisions of the Sugar Act, the formula gave consideration to the factors "past production" and "ability to produce." "Past production" for each district was measured in terms of its largest average planted acreage for any consecutive period, varying from 3 to 10 years and ending with 1940, and "ability to produce" by its largest planted acreage in any one of 3 years, 1938, 1939, 1940. The two factors were given equal weight in the formula.

A slight adjustment from the results of the application of the formula was made to prevent a few districts, with exceptionally consistent records of sugar-beet plantings, from having to sustain reductions greater than the national average for each of the three periods mentioned.

In 1939, acreage allocations had been made by beet-sugar factory districts without reference to State boundaries. With a view to improving the coordination between the sugar program and the agricultural conservation program, the 1941 allocations, in the greater part of the continental beet area, were made by districts consisting of one or more counties within each State.

The division of district allocations among individual farms in 1941 was made by local acreage-allotment committees selected by State agricultural conservation committees.

Because of the very great increase in the demand for sugar, and because of shipping and other uncertainties due to the defense program, the Secretary announced on September 8, 1941, that sugar-beet and sugarcane acreage restrictions would probably be unnecessary in 1942. Under these circumstances it was deemed undesirable to require growers either to destroy or to feed to livestock the sugar beets produced in 1941 on acreage in excess of the allotments previously

established. Consequently, on October 2, it was announced that growers would be permitted to market sugar beets in excess of such allotments without being disqualified for conditional payments. It was provided, however, that growers should not receive payments on the excess acreage.

The acreage actually planted to beets in 1941 was about 775,000 acres, and it was expected that this acreage would yield a crop of about 1,600,000 tons of sugar. The beet industry exceeded such a production level in only one year prior to the operation of the sugar-quota system.

#### MAINLAND CANE AREA

On September 7, 1940, proportionate shares or acreage allotments to Louisiana and Florida sugarcane growers were announced tentatively because many growers wished to plan their 1941 sugarcane plantings so as to be certain to qualify for conditional payments if the Sugar Act of 1937 was extended to cover the 1941 crop. The extension of the act was approved on October 15, 1940, and the formal determination of proportionate shares for farms in the mainland cane-sugar area was issued on November 29, 1940.

The 1941 proportionate shares were based on estimated quota and normal carry-over requirements of approximately 500,000 tons of sugar, and they made available to growers about 300,000 acres of sugarcane, including cane for seed. In 1940, 285,000 acres of sugarcane had been harvested in Louisiana and Florida in the production of 336,000 tons of sugar. This included production in excess of 1940 proportionate shares, which was permitted, with certain payment deductions, under Public Resolution No. 104, 76th Congress, approved October 10, 1940.

The 1941 proportionate-share determination reinstated the relationship between growers which existed under the 1938 determination. This relationship had always been considered fair by all parties concerned, but it was altered somewhat in 1939 and 1940 when acreage adjustments were necessary on the part of all but growers with family-sized farms. New growers and small growers in 1941, as in previous years, were entitled to a minimum proportionate share of 5 acres and could qualify for not more than 10 acres, depending on the acreage on the farm suitable for sugarcane. In 1941, tenants and sharecroppers were again protected by a provision preventing changes in leasing and cropping agreements for the purpose of diverting to landowners any payment formerly made to tenants or sharecroppers.

On October 2, the 1941 proportionate-share determination was revised to permit the marketing of excess-acreage sugarcane for sugar without disqualifying growers for conditional payments, although it was provided that no payments would be made on such excess acreage. The reasons for this action have already been given in the section dealing with sugar-beet allotments.

The 1940 crop in Louisiana was well below normal as the result of freezing weather, floods, and storms. The 1941 crop in that State was also below normal.

#### HAWAII

In view of the fact that the quantity of sugar produced in Hawaii since the sugar quota system has been in effect has not been in excess of



that needed to fill the Territory's local and United States consumption quota and establish normal reserves, proportionate shares or allotments each year have been the individual producer's actual production.

#### PUERTO RICO

The 1940-41 proportionate shares for established growers in Puerto Rico were, as in previous years, in terms of sugar and were determined by adjusting their 1939-40 proportionate shares to the consumption requirements for Puerto Rico and continental United States, plus normal reserves during the 1941 calendar year.

New growers in 1940-41 were limited to those on land purchased or leased under the programs of the Puerto Rico Reconstruction Administration or the Farm Security Administration. Such growers were permitted to qualify for up to 3 acres of sugarcane for harvest in 1941.

#### MINIMUM WAGES

During the year there were issued six determinations establishing minimum wages for beet and cane field workers in the various domestic areas.

Two of the determinations concerned the continental sugar-beet area, the first one issued being applicable to California, where the season starts early, and the second one covering all other beet States.

Both of these determinations continued in 1941 the basic wage rates established for the 1940 crop for persons employed in the production, cultivation, or harvesting of beets. However, in 1940 the California piece rate for harvesting operations remained unchanged after sugar-beet yields reached 20 tons an acre, while the 1941 rate provided for a 1-cent-a-ton reduction for each additional ton between 21 and 25 tons, after which no further reductions were made. Another change from the 1940 determination for California provided that a producer and laborer could agree in writing that the laborer was to receive the sum of the piece-rate payments specified for blocking and thinning and the first and second hoeings, for all such work prior to harvest regardless of the number of hoeings actually required.

The 1941 wage determination for the other beet States made only two changes from that issued in 1940. One of these changes was to include Kansas, which was formerly a separate district, in the district comprising Colorado, Nebraska, South Dakota, and southern Wyoming. The effect of this change was to increase the rate for each hoeing in Kansas by 50 cents an acre. The second change was to provide hourly as well as piece rates for the districts comprising Ohio, Michigan, Indiana, Wisconsin, Colorado, Nebraska, South Dakota, southern Wyoming, and Kansas.

In the mainland sugarcane area, comprising Louisiana and Florida, there were issued two determinations, one covering the harvesting of the 1940 crop of sugarcane between September 1, 1940, and June 30, 1941, and the second providing the rates for the production and cultivation of cane during 1941. The harvesting-wage determination did not change the rates established for the harvesting of the 1940 crop in Florida. In the case of Louisiana, although the daily harvesting wages and the piece rates for small-barrel green cane were the same as in the previous year, somewhat lower rates were



established for cutting and loading large-barrel green cane. Rates for cutting small- and large-barrel burnt cane in Louisiana also were provided. The establishment of differential rates for several types of cane in Louisiana was in keeping with the practice that had been followed in Florida. No change from 1940 was made in the minimum wages to be paid laborers in the production and cultivation of sugarcane in this area in 1941.

The 1941 Hawaiian wage determination established for the first time in the Territory wage rates for workers between the ages of 14 and 16 and for semiskilled machine operators. It was again provided that the annual average payment to all workers taken as a group was not to be less than \$2 and \$1.50 a working day of 8 hours for harvesting and nonharvesting operations, respectively. The 1940 determination also provided that each individual worker was to be paid an average of not less than \$1.40 a day for each pay period of not more than 1 month. This rate was continued in the 1941 determination but was restricted to nonharvesting operations. For harvesting operations a new average rate of not less than \$1.60 was established.

The 1941 Puerto Rican wage determination established the same rates as were in effect in 1940 and again provided for a bonus system which was to become effective during the first 6 months of the year when the price of raw sugar reached 3 cents a pound. Inasmuch as this price was above that level during most of this period, the bonus provision was operative. The rates established in the determination correspond with the terms of the collective agreement between the Association of Sugar Producers of Puerto Rico and the Free Federation of Working Men of Puerto Rico.

### FARMING PRACTICES

The soil-conserving and soil-improving practices established under the 1941 sugar program for growers in the various domestic sugar-producing areas who wish to receive Federal sugar payments were substantially the same as those for the 1940 program.

In the continental beet area the practices included the seeding or maintenance of legumes or grasses, the plowing under of green-manure crops, and the application of animal or chemical fertilizers to the soil.

Several relatively minor changes were made for the 1941 California beet crop. One of these enabled growers who wished to qualify their crop by the application of lime, barnyard manure, and leguminous crop residues to land on which sugar beets were to be planted, to do so in the late summer and early fall of 1940, rather than at a later period. This was done by permitting the crop year to be considered as a 12-month period beginning 120, instead of 100 days prior to the normal planting for the community. In many instances growers do not plant their beets until late winter or early spring. Another change permitted the application of gypsum or its sulfur equivalent as a soil-conserving practice. In certain areas in California, the application of gypsum expedites water penetration by improving the soil structure, and, in other areas, where a deficiency of sulfur exists, it corrects the deficiency of this plant-food element.

The practices for the mainland cane area were the same as in 1940. They provided that any grower who wished to qualify for a Federal conditional payment was required to have an acreage of the designated practices equal to at least 30 percent of his acreage in sugarcane, and the practices were to be carried out on land adapted to sugarcane production. The approved practices consisted chiefly of seeding or turning under legumes or other crops beneficial to the soil.

The farming practices to be met by Hawaiian sugarcane producers who wished to receive Government payments on the 1941 crop were the same as those for 1940, with one exception. The minimum amount of plant food in chemical fertilizer required to be applied per acre of sugarcane land was reduced from 150 to 125 pounds because experiments had indicated that good farming practices did not require fertilizer applications as large as were customary in the past. As in 1940, it was required that the acreage fertilized be at least as large as the acreage on the farm on which sugarcane was planted, or a stubble crop of sugarcane started, at any time in 1941.

In Puerto Rico growers were required to apply chemical fertilizer in varying amounts to farms with more than 10 acres of sugarcane. In the case of farms with 10 acres or less of cane, growers instead were permitted to apply the tops and trash cut from sugarcane harvested or to carry out any of the soil-building practices specified in the 1941 Agricultural Conservation Program bulletin for Puerto Rico.

### GROWER-PROCESSOR RELATIONS

Processor-producers who grow a substantial portion of all domestic sugarcane receive relatively large conditional payments under the Sugar Act if they comply with the several requirements set forth therein. Consequently, the terms of the fair-price determinations, which embody one of the requirements to be met by processor-producers if they are to qualify for conditional payments, become the general basis for the purchase of sugarcane. This is to a lesser degree true in the sugar-beet area since sugar-beet processors produce only a negligible portion of the beets processed by them and in consequence receive less than 1 percent of the conditional payments made in that area.

The determination of fair and reasonable prices for the 1940 and 1941 crops of sugar beets was made following public hearings and after a tentative determination for the 1940 crop had been submitted to interested parties. Growers and processors submitted memoranda setting forth their views on the tentative determination.

With respect to the 1940 crop of sugar beets the determination in effect approved final contracts used in many areas since the terms of these agreements had in many cases been brought into conformity with the tentative recommendations previously issued by the Department. The rates to be paid growers under these revised 1940 contracts represented an increase over those established in the previous contracts. The schedule of rates provided for in the determination, in addition to certain general increases, eliminated the clause contained in many contracts under which provision was made for an accelerated rate of reduction in payment per ton of sugar beets to growers when net proceeds from the sale of sugar fell below \$3.25 per hundredweight. Moreover, the determination provided that in

calculating the average net return realized from the sale of sugar, which is used by a processor as a basis for settlement with growers served by him, the net proceeds realized by other processors in the same area could not be included.

The basic minimum rates to be paid growers for the 1941 crop of Louisiana sugarcane were the same as those established in 1940. However, in view of the substantial increase in the price of blackstrap molasses growing out of the increased demand for alcohol for defense purposes, provision was made for growers to share equally with processors in any income from molasses in excess of 8 cents per gallon on a recovery of  $6\frac{1}{2}$  gallons per ton of cane. It was expected that this modification, coupled with the rise in the price of sugar, would increase grower income by more than \$1 per ton of sugarcane over that from the 1940 crop.

Settlement for the 1941 crop of Louisiana sugarcane is to be made on the basis of the price of raw sugar during the week in which the sugarcane is delivered, or on the basis of the simple average of the weekly quotations for raw sugar during the period October 17 to April 2, whichever is agreed upon by the processor and producer, and upon the value of molasses during the period ending April 2, 1942.

The fair-price determination for the 1940-41 crop of Puerto Rican sugarcane maintained the continuity of the grower-processor relationship established in previous determinations and was identical with the 1939-40 determination except for minor changes deemed necessary to recognize (1) increased ocean-freight charges; (2) the addition to the program of a number of new and small growers whose proportionate shares were stated in terms of acres, and (3) the desirability of general supervision of charges made by processor-producers for services rendered to independent producers.

The 1940-41 determination required processors to pay growers an amount for each ton of cane equal to not less than 63 percent of the f. o. b. mill value of the sugar recovered from the cane delivered or the amount which would have been paid under the contract employed in the previous year, whichever figure was larger. The determination stipulated that the f. o. b. mill value to be used for settlement purposes be arrived at by deducting from the New York price not more than the smaller of (1) the average shipping and selling expenses per pound of sugar incurred in 1940 plus the excess of the average ocean freight expense incurred in 1941 over that incurred in 1940 or (2) one-fourth of a cent per pound of sugar plus the excess of the average ocean freight expense incurred in 1941 over that incurred in the previous year.

On April 14, 1941, the Legislature of Puerto Rico enacted legislation amending the existing local law governing the grower-processor relationship in the area. The amendments, which represent a significant change in the terms and conditions of the regulation exercised by Puerto Rican authorities over the grower-processor relationship, will be applicable to the 1941-42 crop.

The fair-price determination for the 1941 crop of Hawaiian sugarcane also maintained the continuity of the grower-processor relationship established in Hawaii under previous determinations and is similar to those in that prices agreed upon for the 1941 crop of Hawaiian sugarcane by the several processors and producers were recognized as fair and reasonable.





## FINANCIAL REPORT

The expenditures of the Agricultural Adjustment Administration during the fiscal year ending June 30, 1941, totaled \$734,336,096.84 and were made for the purposes shown in the following tabulation:

Agricultural conservation payments.....	\$435,220,194.98
1940 parity payments.....	170,336,646.84
1941 parity payments.....	10,761,090.42
Payments, Sugar Act of 1937.....	48,591,563.96
Miscellaneous program payments.....	85,052.20
County association expense for all programs administered by the A. A. A.....	41,832,632.39
General administrative expenses in Washington, D. C., and the field for all programs administered by the A. A. A.....	16,418,007.01
Payments for purchase and diversion of agricultural commodities and miscellaneous expenditures.....	11,090,909.04
<b>Total</b> .....	<b>\$734,336,096.84</b>

The expenditures made during the current fiscal year are applicable to previous-year programs as well as to programs for the current year.

The total of \$435,220,194.98 (table 15) shown for the agricultural conservation programs includes payments made under the range conservation program, the naval stores program, advances for the purchase of conservation materials and services, and advances for wheat crop insurance premiums. Advances for the purchase of conservation materials and services and for wheat crop insurance premiums are deducted from payments earned by producers for their participation in the agricultural conservation program.

The total of \$170,336,646.84 (table 16) represents expenditures during the fiscal year ended June 30, 1941, on the 1940 parity payment program.

The payment of \$10,761,090.42 represents expenditures on the 1941 parity payment program through June 30, 1941.

The expenditure of \$48,591,563.96 under the Sugar Act of 1937 (table 16) consists of \$34,467,277.11 paid under the 1940 sugar program and \$14,124,286.85 applicable to the 1939 and previous programs.

TABLE 15.—*Payments to producers, July 1, 1940, to June 30, 1941, for cooperating in the agricultural conservation programs*

Region and State	1940 program	1939 and previous programs	Total
<b>Southern Region:</b>			
Alabama.....	\$11,316,711.42	\$140,923.82	\$11,457,635.24
Arkansas.....	13,315,668.47	334,402.88	13,650,071.35
Florida.....	2,440,749.00	175,862.00	2,616,611.00
Georgia.....	11,244,352.87	999,396.63	12,243,749.50
Louisiana.....	7,498,010.21	407,417.42	7,905,427.63
Mississippi.....	15,913,917.57	45,192.02	15,959,109.59
Oklahoma.....	13,249,857.79	212,035.71	13,461,893.50
South Carolina.....	8,735,872.41	58,170.00	8,794,042.41
Texas.....	46,649,802.41	208,777.21	46,858,579.62
<b>Total</b> .....	<b>130,364,942.15</b>	<b>2,582,177.69</b>	<b>132,947,119.84</b>

TABLE 15.—*Payments to producers, July 1, 1940, to June 30, 1941, for cooperating in the agricultural conservation programs—Continued*

Region and State	1940 program	1939 and previous programs	Total
<b>East Central Region:</b>			
Delaware.....	448,972.77	2,979.72	451,952.49
Kentucky.....	7,957,246.63	87,537.34	8,044,783.97
Maryland.....	1,321,994.66	5,935.39	1,327,930.05
North Carolina.....	11,756,928.70	95,701.10	11,852,629.80
Tennessee.....	7,631,594.99	365,088.07	7,996,683.06
Virginia.....	3,309,388.24	-237.31	3,309,150.93
West Virginia.....	1,118,853.74	434.71	1,119,288.45
<b>Total.....</b>	<b>33,544,979.73</b>	<b>557,439.02</b>	<b>34,102,418.75</b>
<b>Northeast Region:</b>			
Connecticut.....	378,902.65	-6,535.49	372,367.16
Maine.....	1,341,083.46	-159.12	1,340,924.34
Massachusetts.....	421,728.40	-3,530.48	418,197.92
New Hampshire.....	136,755.43	-7,137.23	129,618.20
New Jersey.....	839,370.94	2,139.70	841,510.64
New York.....	3,351,931.09	7,480.81	3,359,411.90
Pennsylvania.....	4,029,489.52	24,851.61	4,054,341.13
Rhode Island.....	34,741.81	-70.15	34,671.66
Vermont.....	581,405.41	86.60	581,492.01
<b>Total.....</b>	<b>11,115,408.71</b>	<b>17,126.25</b>	<b>11,132,534.96</b>
<b>North Central Region:</b>			
Illinois.....	23,754,539.12	18,443.88	23,772,983.00
Indiana.....	12,241,428.28	27,941.14	12,269,369.42
Iowa.....	34,169,128.40	22,224.14	34,191,352.54
Michigan.....	5,975,748.28	38,869.86	6,014,618.14
Minnesota.....	18,864,327.79	17,503.67	18,881,831.46
Missouri.....	14,659,635.27	119,046.55	14,778,681.82
Nebraska.....	18,062,739.32	18,835.67	18,081,624.99
Ohio.....	10,325,434.21	54,547.67	10,379,981.88
South Dakota.....	12,089,258.78	37,076.02	12,126,334.80
Wisconsin.....	11,125,482.28	-1,134.49	11,124,347.79
<b>Total.....</b>	<b>161,267,771.73</b>	<b>353,354.11</b>	<b>161,621,125.84</b>
<b>Western Region:</b>			
Arizona.....	2,029,610.46	1,848.48	2,031,458.94
California.....	7,875,545.33	13,879.57	7,889,424.90
Colorado.....	4,367,224.65	22,057.90	4,389,282.55
Idaho.....	2,641,400.66	243.40	2,641,644.06
Kansas.....	17,130,410.77	117,315.98	17,247,726.75
Montana.....	5,803,446.87	5,778.77	5,809,225.64
Nevada.....	153,303.32	170.49	153,473.81
New Mexico.....	2,631,041.80	123.91	2,631,165.71
North Dakota.....	13,170,308.58	25,733.78	13,196,042.36
Oregon.....	2,955,777.14	30.24	2,955,807.38
Utah.....	794,101.23	-242.46	793,858.77
Washington.....	2,884,347.00	-541.82	2,883,805.18
Wyoming.....	1,779,482.08	-583.82	1,778,898.26
<b>Total.....</b>	<b>64,215,999.89</b>	<b>185,814.42</b>	<b>64,401,814.31</b>
<b>Total for the continental United States.....</b>	<b>400,509,102.21</b>	<b>3,695,911.49</b>	<b>404,205,013.70</b>
Alaska.....	6,040.83	-54.20	5,986.63
Hawaii.....	101,973.28	8,759.13	110,732.41
Puerto Rico.....	1,099,993.41	23,255.78	1,123,249.19
Credits undistributed by States.....	-14,462.33	-42,107.47	-56,569.80
Conservation materials advances (1940 crop year) not distributed by States.....	1,670,432.16	-----	1,670,432.16
Conservation materials and crop insurance premium advances in connection with the 1941 crop year.....	-----	-----	28,161,350.69
<b>Grand total.....</b>	<b>403,373,079.56</b>	<b>3,685,764.73</b>	<b>435,220,194.98</b>

TABLE 16.—*Payments to producers July 1, 1940, to June 30, 1941, under the 1940 and 1941 parity payment programs and sugar programs*

Region and State	1940 parity payment program	1941 parity payment program	Sugar programs
<b>Southern Region:</b>			
Alabama.....	\$8,420,248.28		
Arkansas.....	9,674,917.99		\$59.54
Florida.....	212,063.42		112,169.18
Georgia.....	7,947,311.31	\$91,552.08	
Louisiana.....	5,966,232.46		5,992,624.07
Mississippi.....	12,492,228.04		
Oklahoma.....	5,629,936.02	174,905.83	
South Carolina.....	5,798,209.90		
Texas.....	25,004,495.74	1,403,443.01	3,365.18
Total.....	81,145,643.16	1,669,900.92	6,108,217.97
<b>East Central Region:</b>			
Delaware.....	6,396.36		
Kentucky.....	585,227.60		
Maryland.....	120,270.02		
North Carolina.....	4,456,562.82		
Tennessee.....	3,562,624.53		
Virginia.....	514,655.82		
West Virginia.....	2,569.55		
Total.....	9,248,306.70		
<b>Northeast Region:</b>			
Connecticut.....			
Maine.....			
Massachusetts.....			
New Hampshire.....			
New Jersey.....	14,847.24	7,123.89	
New York.....	147,608.93	48,684.50	
Pennsylvania.....	243,589.34	412,465.72	
Rhode Island.....			
Vermont.....			
Total.....	405,945.51	468,274.11	
<b>North Central Region:</b>			
Illinois.....	8,834,734.80		43,336.91
Indiana.....	4,205,883.53		133,297.21
Iowa.....	12,555,934.58		96,476.87
Michigan.....	975,774.92		1,881,442.28
Minnesota.....	5,197,704.55		641,092.54
Missouri.....	5,608,505.78		
Nebraska.....	6,648,742.47		1,615,065.51
Ohio.....	4,363,805.48		743,016.51
South Dakota.....	3,545,192.26		172,918.84
Wisconsin.....	1,063,838.38		398,760.87
Total.....	53,000,116.75		5,725,407.54
<b>Western Region:</b>			
Arizona.....	1,296,558.56	119,683.57	
California.....	4,304,682.27	305,645.41	5,585,943.18
Colorado.....	848,365.09	123,802.58	3,842,108.43
Idaho.....	873,536.52	515,827.52	2,135,406.25
Kansas.....	5,974,658.34	5,109,870.79	194,606.61
Montana.....	3,033,168.33	62,686.60	2,203,828.34
Nevada.....	25,544.59	2,955.14	5,404.95
New Mexico.....	797,055.11	216,594.40	3,326.22
North Dakota.....	7,148,081.02	3,234.72	345,385.81
Oregon.....	413,337.36	1,061,295.79	226,409.63
Utah.....	344,946.81	52,518.15	1,067,068.17
Washington.....	1,246,623.22	999,206.22	419,367.50
Wyoming.....	227,862.15	49,564.50	1,271,891.87
Total.....	26,534,419.37	8,622,915.39	17,300,746.98
<b>Total for the continental United States</b> .....	<b>170,334,431.49</b>	<b>10,761,090.42</b>	<b>29,134,372.49</b>
Alaska.....			
Hawaii.....	2,232.98		8,851,886.84
Puerto Rico.....			10,614,601.97
Credits undistributed by States.....	-17.63		-9,297.34
<b>Grand total</b> .....	<b>170,336,646.84</b>	<b>10,761,090.42</b>	<b>48,591,563.96</b>

TABLE 17.—*Total expenditures by States, July 1, 1940, to June 30, 1941, inclusive*

State	Amount	State	Amount
Washington, D. C.	\$4,270,245.56	Nevada	\$247,803.36
Alabama	22,115,242.03	New Hampshire	436,000.92
Alaska	6,724.94	New Jersey	997,913.65
Arizona	3,626,535.11	New Mexico	4,117,570.81
Arkansas	25,302,316.22	New York	5,074,322.01
California	19,505,485.77	North Carolina	18,799,049.69
Colorado	10,221,019.33	North Dakota	24,288,329.65
Connecticut	623,938.56	Ohio	18,266,208.65
Delaware	520,584.39	Oklahoma	21,479,547.28
Florida	3,483,413.81	Oregon	5,659,814.60
Georgia	22,652,058.23	Pennsylvania	5,850,785.11
Hawaii	8,985,450.87	Puerto Rico	12,068,784.82
Idaho	7,086,892.14	Rhode Island	95,838.79
Illinois	36,466,487.63	South Carolina	16,008,940.68
Indiana	19,214,743.31	South Dakota	18,213,350.79
Iowa	50,233,115.98	Tennessee	14,901,753.98
Kansas	32,294,985.86	Texas	78,703,905.86
Kentucky	12,937,845.37	Utah	2,827,659.71
Louisiana	21,150,890.16	Vermont	1,428,339.51
Maine	1,886,673.55	Virginia	5,857,434.71
Maryland	1,727,108.22	Washington	6,404,507.34
Massachusetts	663,480.24	West Virginia	2,371,572.04
Michigan	10,510,115.36	Wisconsin	14,204,840.66
Minnesota	27,100,040.50	Wyoming	3,831,054.60
Mississippi	29,915,899.70	Undistributed	13,331,984.14
Missouri	23,885,927.20		
Montana	12,329,150.72		
Nebraska	30,092,412.72	Total	734,336,096.84



## APPENDIXES

### APPENDIX A. — STATISTICAL SUMMARIES — 1940 CONSERVATION, PARITY, AND SUGAR PROGRAMS

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Table 1.—Participation and estimated gross payments, 1940 conservation programs

State and Region	Application farms or ranches	Cropland on application farms	Total cropland in State	Cropland covered	Payees	Estimated gross payments	Average payment per payee
	<i>Number</i>	<i>Acres</i>	<i>Acres</i>	<i>Percent</i>	<i>Number</i>	<i>Dollars</i>	<i>Dollars</i>
Maine.....	18,717	997,478	1,451,246	68.7	18,994	1,695,002	89.24
New Hampshire.....	9,543	319,514	451,078	70.8	9,546	370,039	38.76
Vermont.....	14,121	878,198	1,149,757	76.4	14,205	833,441	58.67
Massachusetts.....	12,222	337,704	586,748	57.6	12,271	573,134	46.71
Rhode Island.....	1,292	38,314	75,033	51.1	1,295	61,898	47.80
Connecticut.....	8,446	291,635	531,454	54.9	8,585	550,844	64.16
New York.....	68,042	4,699,627	8,445,732	55.6	69,389	4,297,300	61.93
New Jersey.....	12,349	744,799	1,050,725	70.9	13,003	912,026	70.14
Pennsylvania.....	82,580	4,915,337	8,024,654	61.3	87,604	4,576,649	52.24
Northeast total or average.....	227,312	13,222,606	21,766,427	60.7	234,892	13,870,333	59.05
Illinois.....	140,995	16,041,479	24,973,066	64.2	167,729	25,114,779	149.73
Indiana.....	111,869	8,408,467	14,642,744	57.4	135,297	13,608,845	100.58
Iowa.....	162,451	19,836,565	25,518,024	77.7	194,750	35,530,263	182.44
Michigan.....	118,886	7,187,163	11,448,575	62.8	127,828	6,480,622	50.70
Minnesota.....	156,878	16,903,538	21,297,118	79.4	170,544	20,063,356	117.64
Missouri.....	193,584	14,175,679	18,352,157	77.2	211,285	15,924,207	75.37
Nebraska.....	119,182	17,439,286	20,842,911	83.7	143,685	19,968,766	138.98
Ohio.....	135,145	7,843,854	13,481,020	58.2	150,822	11,034,974	73.17
South Dakota.....	96,172	15,836,965	16,830,136	94.1	98,152	13,558,915	138.14
Wisconsin.....	162,473	10,916,540	12,679,052	86.1	169,274	11,950,686	70.60
North Central total or average.....	1,397,635	134,589,536	180,064,803	74.7	1,569,366	173,235,413	110.39
Delaware.....	7,460	520,100	590,000	88.0	9,960	492,100	49.41
Maryland.....	22,805	1,817,800	2,460,000	74.0	27,910	1,523,800	54.60
Virginia.....	92,600	4,603,100	5,546,000	83.0	111,400	4,133,700	37.11
West Virginia.....	49,900	1,757,900	2,136,000	82.0	50,450	1,508,500	29.90
North Carolina.....	207,386	6,889,400	8,039,000	86.0	324,351	13,828,840	42.64
Kentucky.....	165,100	10,072,000	11,577,000	87.0	232,460	10,327,000	44.42
Tennessee.....	164,300	8,237,700	9,425,000	87.0	274,550	9,297,700	33.87
East Central total or average.....	709,551	33,898,000	39,773,000	85.0	1,031,081	41,111,640	39.87
Alabama.....	182,626	8,716,022	9,206,026	94.7	288,303	12,844,966	44.55
Arkansas.....	154,158	9,371,761	9,619,863	97.4	273,450	14,132,000	51.68
Florida.....	41,008	1,899,399	2,479,266	76.6	46,496	2,874,200	61.82
Georgia.....	143,061	10,077,948	11,282,894	89.3	230,615	12,743,492	55.26
Louisiana.....	93,886	5,310,925	5,660,949	93.8	192,660	8,339,215	43.28
Mississippi.....	147,967	8,347,320	8,626,521	96.8	381,397	16,928,338	44.39
Oklahoma.....	176,636	14,584,826	18,723,016	77.9	273,013	14,466,000	52.99
South Carolina.....	108,017	5,330,890	5,696,978	93.6	174,339	9,401,206	53.92
Texas.....	398,707	36,428,325	39,865,039	91.4	636,534	49,399,955	77.61
Southern total or average.....	1,446,066	100,067,416	111,160,552	90.0	2,496,807	141,129,372	56.52
Arizona.....	5,775	619,934	734,389	84.4	5,542	2,107,366	380.25
California.....	80,191	5,537,003	9,404,295	58.9	79,901	8,676,138	108.59
Colorado.....	39,581	6,862,761	8,331,519	82.4	43,613	4,860,960	111.46
Idaho.....	25,556	3,088,880	4,244,488	72.8	30,670	2,821,044	91.98
Kansas.....	109,041	22,218,080	28,775,943	77.2	150,642	19,313,856	128.21
Montana.....	29,552	8,931,053	10,630,342	84.0	41,750	6,507,250	155.86
Nevada.....	1,829	230,946	312,055	74.0	1,854	168,808	91.05
New Mexico.....	18,961	1,695,283	2,386,266	71.0	19,631	2,900,513	147.75
North Dakota.....	76,590	22,525,351	23,939,941	94.1	112,838	15,312,861	135.71
Oregon.....	32,071	3,702,741	4,274,666	86.6	35,777	3,286,811	91.87
Utah.....	16,056	1,110,258	1,483,437	74.8	17,834	884,422	49.59
Washington.....	32,652	3,988,755	6,644,636	60.0	35,579	3,251,168	91.38
Wyoming.....	10,764	1,811,691	2,072,624	87.4	12,474	2,025,267	162.36
Western total or average.....	478,619	82,322,736	103,235,101	79.7	588,105	72,116,464	122.63
Alaska.....	149	5,298	-----	-----	149	6,349	42.61
Hawaii.....	1,008	206,979	-----	-----	1,062	116,498	109.70
Puerto Rico.....	68,887	981,463	-----	-----	88,034	1,125,266	12.78
Insular total or average.....	70,044	1,193,740	-----	-----	89,245	1,248,113	13.99
Grand total.....	4,329,227	365,294,034	455,999,883	79.8	6,009,496	442,711,335	73.67

\*Excludes Insular Region.

Table 2.—Estimated gross payments<sup>1</sup> by States and commodities, 1940 conservation programs

[All figures in thousands of dollars, i. e., 000 omitted]

State and Region	Cotton	Corn, com- mer- cial	Wheat	Tobacco					
				Flue- cured	Burley	Dark	Cigar	Penn- syl- vania	Georgia- Florida
Maine.....									
New Hampshire.....							( <sup>2</sup> )		
Vermont.....							( <sup>2</sup> )		
Massachusetts.....							72		
Rhode Island.....									
Connecticut.....							182		
New York.....			136				14		
New Jersey.....			9						
Pennsylvania.....			667					139	
Northeast total.....			812				268	139	
Illinois.....	22	16,552	1,677		( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )		
Indiana.....		7,828	1,612		67	6	( <sup>2</sup> )		
Iowa.....		24,669	503						
Michigan.....		745	686						
Minnesota.....		8,254	1,479				7		
Missouri.....	2,395	5,229	1,453		42	( <sup>2</sup> )			
Nebraska.....		10,263	3,365						
Ohio.....		5,465	1,576		94		92		
South Dakota.....		2,181	2,212						
Wisconsin.....		2,064	103				301		
North Central total.....	2,417	83,250	14,666		203	6	400		
Delaware.....			113						
Maryland.....			486						
Virginia.....	215		231	587	95	169			
West Virginia.....			45		23				
North Carolina.....	4,909		55	4,591	69				
Kentucky.....	114	712	207		2,272	816			
Tennessee.....	3,979		112		511	391			
East Central total.....	9,217	712	1,249	5,178	2,970	1,376			
Alabama.....	9,305		( <sup>2</sup> )	4	1				
Arkansas.....	10,213		30		( <sup>2</sup> )				
Florida.....	198			118					15
Georgia.....	8,439		6	706	( <sup>2</sup> )				1
Louisiana.....	6,237								
Mississippi.....	13,708								
Oklahoma.....	5,411		3,188						
South Carolina.....	6,470		3	831	( <sup>2</sup> )				
Texas.....	25,690		2,502						
Southern total.....	85,671		5,729	1,659	1				16
Arizona.....	1,375		54						
California.....	3,113		487						
Colorado.....			910						
Idaho.....			1,359						
Kansas.....	2	1,994	9,988		3				
Montana.....			2,652						
Nevada.....			22						
New Mexico.....	769		185						
North Dakota.....			6,194						
Oregon.....			1,227						
Utah.....			308						
Washington.....			1,708						
Wyoming.....			204						
Western total.....	5,259	1,994	25,298		3				
Alaska.....									
Hawaii.....									
Puerto Rico.....							354		
Insular total.....							354		
Grand total.....	102,564	85,956	47,754	6,837	3,177	1,382	1,022	139	16

<sup>1</sup> Includes amounts deducted for county association expenses.<sup>2</sup> Less than \$500.

TABLE 2.—Estimated gross payments<sup>1</sup> by States and commodities—Continued

[All figures in thousands of dollars, i. e., 000 omitted]

State and Region	Pota- toes, com- mer- cial	Pea- nuts, com- mer- cial	Rice	Vege- tables, com- mer- cial	General diver- sion	Soil- and range- build- ing prac- tices	Resto- ration land	Naval stores	Total gross pay- ments
Maine.....	1,151			5		539			1,695
New Hampshire.....	13			2		355			370
Vermont.....	14			( <sup>2</sup> )		819			833
Massachusetts.....	38			40		423			573
Rhode Island.....	15			3		44			62
Connecticut.....	68			15		286			551
New York.....	422			144		3,581			4,297
New Jersey.....	172			209		522			912
Pennsylvania.....	299			57		3,415			4,577
Northeast total.....	2,192			475		9,984			13,870
Illinois.....				16	3,401	3,447			25,115
Indiana.....	33			33	1,701	2,329			13,609
Iowa.....				4	6,181	4,173			35,530
Michigan.....	342			51	2,560	2,097			6,481
Minnesota.....	353			10	7,302	2,658			20,063
Missouri.....	10		1	12	2,584	4,198			15,924
Nebraska.....	132				3,476	2,681	52		19,969
Ohio.....	66			47	1,312	2,383			11,035
South Dakota.....	28				5,925	3,095	118		13,559
Wisconsin.....	280			14	6,157	3,031			11,950
North Central total.....	1,244		1	187	40,599	30,092	170		173,235
Delaware.....				60		319			492
Maryland.....	26			122		890			1,524
Virginia.....	190	79		112		2,456			4,134
West Virginia.....						1,440			1,508
North Carolina.....	125	124		55		3,900		1	13,829
Kentucky.....	20			21		6,165			10,327
Tennessee.....				56		4,249			9,258
East Central total.....	361	203		426		19,419		1	41,112
Alabama.....	27	86		37		3,230		155	12,845
Arkansas.....			184	14	391	3,300			14,132
Florida.....	82	19		274		1,757		411	2,874
Georgia.....	5	90		56		2,936		505	12,744
Louisiana.....	42		368	98		1,591		3	8,339
Mississippi.....				44		3,122		54	16,928
Oklahoma.....				10	4,055	1,780	22		14,466
South Carolina.....	21			71		1,957		48	9,401
Texas.....		66	198	662	8,061	12,220	( <sup>2</sup> )	1	49,400
Southern total.....	177	261	750	1,266	12,507	31,893	22	1,177	141,129
Arizona.....				37		642			2,108
California.....	206		163	105	1,649	2,953			8,676
Colorado.....	353			41	1,789	1,701	67		4,861
Idaho.....	467			7		988			2,821
Kansas.....	15			1	4,643	2,633	35		19,314
Montana.....					906	2,884	65		6,507
Nevada.....	5					142			169
New Mexico.....					481	1,447	19		2,901
North Dakota.....	191				5,564	3,270	94		15,313
Oregon.....	128			19		1,913			3,287
Utah.....	20			3		553			884
Washington.....	102			17		1,424			3,251
Wyoming.....	30				263	1,509	19		2,025
Western total.....	1,517		163	230	15,295	22,059	299		72,117
Alaska.....						7			7
Hawaii.....			2			114			116
Puerto Rico.....						771			1,125
Insular total.....			2			892			1,248
Grand total.....	5,491	464	916	2,584	68,401	114,339	491	1,178	442,711

<sup>1</sup> Includes amounts deducted for county association expenses.<sup>2</sup> Less than \$500.



Table 3.—Soil-building and range-building practices carried out, 1940 conservation programs

State and Region	Application of materials					Seedings		
	16% super-phosphate or equivalent	Muriate of potash	Gypsum or equivalent	Mulching	Limestone	Alfalfa	Permanent pasture mixtures	Annual: lespedeza, ryegrass, sweet-clover, biennial and perennial legumes and grasses
	Tons	Tons	Tons	Tons	Tons	Acres	Acres	Acres
Maine.....	17,579	540	-----	3,732	56,810	72	244	96,926
New Hampshire.....	16,148	310	-----	1,605	25,588	558	363	11,226
Vermont.....	35,204	578	-----	1,533	53,929	4,196	-----	45,158
Massachusetts.....	12,439	1,294	-----	5,890	42,715	1,726	1,108	11,232
Rhode Island.....	1,367	119	-----	36	5,618	100	72	646
Connecticut.....	7,997	276	-----	1,262	49,204	783	536	1,444
New York.....	99,706	443	-----	43,955	510,245	58,559	4,211	275,745
New Jersey.....	8,136	1,505	-----	6,188	91,378	22,862	2,074	44,833
Pennsylvania.....	26,375	1,777	-----	2,344	814,374	121,495	3,325	645,865
Northeast total.....	224,951	6,842	-----	66,545	1,649,861	210,351	11,933	1,133,075
Illinois.....	6,848	132	20	2,115	2,012,905	163,820	3,275	2,863,131
Indiana.....	1,736	15	7	1,065	677,275	202,428	2,269	1,605,389
Iowa.....	1,274	4	-----	457	1,018,410	384,886	44,958	4,008,013
Michigan.....	1,690	322	53	17,650	294,132	572,374	101,994	789,227
Minnesota.....	337	22	101	369	41,919	484,522	109,789	2,448,849
Missouri.....	6,915	-----	1	1,372	1,131,541	95,551	5,112	2,748,858
Nebraska.....	8	-----	-----	-----	15	205,675	76,041	763,404
Ohio.....	6,952	19	3	11,041	636,257	269,000	252	1,482,706
South Dakota.....	1	-----	9	2	86	72,888	220,624	567,069
Wisconsin.....	9,943	548	-----	3,260	692,942	746,763	1,503	1,373,755
North Central total.....	35,704	1,062	194	37,331	6,505,482	3,197,907	565,817	18,650,401
Delaware.....	365	71	-----	-----	36,554	795	-----	84,031
Maryland.....	4,600	233	-----	556	191,499	15,520	-----	378,298
Virginia.....	61,008	531	-----	-----	567,552	11,050	-----	763,590
West Virginia.....	40,454	121	-----	969	344,286	14,365	-----	214,865
North Carolina.....	22,449	118	-----	427	300,312	2,169	-----	977,698
Kentucky.....	210,899	50	-----	1,753	1,193,212	53,939	-----	1,940,492
Tennessee.....	84,874	136	-----	1,148	759,435	23,585	-----	1,734,522
East Central total.....	424,649	1,260	-----	4,853	3,392,850	121,423	-----	6,093,496
Alabama.....	77,844	-----	-----	-----	71,981	1,184	14,752	11,238
Arkansas.....	32,866	-----	-----	4,252	57,443	45,262	8,698	26,380
Florida.....	20,810	-----	-----	5,856	55,816	-----	92,950	252
Georgia.....	32,144	-----	-----	-----	83,700	579	10,118	-----
Louisiana.....	4,641	-----	-----	-----	1,216	16,436	7,100	33,770
Mississippi.....	12,166	-----	-----	-----	3,584	35,165	7,061	12,802
Oklahoma.....	484	-----	-----	-----	5,592	115,059	4,201	83,622
South Carolina.....	1,778	-----	-----	-----	117,574	292	2,906	160
Texas.....	4,040	-----	-----	-----	10	62,062	37,724	102,528
Southern total.....	186,773	-----	-----	10,108	396,916	276,039	185,510	270,752
Arizona.....	746	-----	798	133	-----	37,741	488	2,609
California.....	11,258	-----	43,467	124,577	-----	214,708	15,028	31,243
Colorado.....	1,152	-----	-----	23,525	-----	137,707	8,387	104,607
Idaho.....	6,050	-----	1,666	3,415	-----	157,060	23,272	121,935
Kansas.....	1,384	-----	-----	623	31,013	206,136	-----	438,052
Montana.....	319	-----	220	15	-----	122,429	422,547	128,454
Nevada.....	227	-----	25	-----	-----	15,137	1,428	4,400
New Mexico.....	6,465	-----	-----	-----	-----	30,349	3,272	7,969
North Dakota.....	13	-----	-----	-----	-----	53,878	531,775	1,073,263
Oregon.....	17,904	-----	13,222	6,953	18,585	62,284	41,660	134,748
Utah.....	2,207	-----	-----	909	-----	81,884	12,302	20,490
Washington.....	15,987	119	2,418	52,823	6,426	59,856	52,319	126,805
Wyoming.....	304	-----	-----	-----	-----	79,250	35,021	54,418
Western total.....	64,016	119	61,816	212,973	56,024	1,258,419	1,147,499	2,249,002
Grand total.....	936,093	9,283	62,010	331,810	12,001,133	5,064,139	1,910,759	28,396,726

TABLE 3.—*Soil-building and range-building practices carried out—Continued*

State and Region	Seedings—Continued					Pasture improvement		
	Winter legumes	Lespedeza	Planting sod pieces		Timothy and redbud	Total	Reseeding, artificial	Reseeding by deferred grazing
			Perennial grasses	Kudzu				
	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Pounds</i>	<i>Acres</i>
Maine.....						97,242	870	
New Hampshire.....						12,147	1,010	
Vermont.....						49,354		
Massachusetts.....						14,066	820	
Rhode Island.....						818		
Connecticut.....						2,763		
New York.....						338,515		
New Jersey.....						69,769		
Pennsylvania.....						770,685		
Northeast total.....						1,355,359	2,700	
Illinois.....	910				130,149	3,161,285	419,886	71
Indiana.....	1,055				49,194	1,860,335	608,389	44
Iowa.....	268				148,636	4,586,761	491,101	10,366
Michigan.....	5,218				11,024	1,479,837	238,288	133
Minnesota.....	570				61,165	3,104,895	323,541	271
Missouri.....	8,414				202,877	3,060,812	6,275,992	8,567
Nebraska.....	35				1,627	1,046,782	581,164	2,655,207
Ohio.....	554				127,901	1,880,413	687,994	335
South Dakota.....	94				11,838	872,513	116,909	1,283,478
Wisconsin.....	101				20,388	2,142,510	840,202	4,314
North Central total.....	17,219				764,799	23,196,143	10,583,466	3,962,786
Delaware.....	19,961				667	105,454		
Maryland.....	9,595				11,589	415,002		
Virginia.....	17,732				40,370	832,742		
West Virginia.....	14,495				21,196	264,921		
North Carolina.....	211,339				29,440	1,220,646		
Kentucky.....	27,327				104,965	2,126,723		
Tennessee.....	90,840				73,256	1,922,203		
East Central total.....	391,289				281,483	6,887,691		
Alabama.....	567,975	161,772		8,032		764,953	279,680	
Arkansas.....	338,110	1,108,791	17,242	117		1,544,600		
Florida.....	5,966	1,295	15,458	172		116,093	78,380	
Georgia.....	388,392	185,508	830	5,270		590,697		
Louisiana.....	419,790	75,271	25	80		552,472	118,660	
Mississippi.....	843,568	264,237	425	1,768		1,165,026	222,400	
Oklahoma.....	10,849	94,491	24,822	40		333,054	184,809	938,377
South Carolina.....	79,278	303,543	178	2,479		388,836		
Texas.....	56,990	16,062	22,683	23		298,072	974,478	5,544,543
Southern total.....	2,710,918	2,210,970	81,663	17,951		5,753,803	1,858,407	6,482,920
Arizona.....	3,681				3	44,522	14,265	1,776,565
California.....	88,376				71	349,426	243,722	1,177,476
Colorado.....					746	251,447	462,738	2,331,831
Idaho.....	1,883				621	304,771	489,443	643,365
Kansas.....	91		31		8,081	652,391	1,414,532	127,926
Montana.....					735	674,165	514,672	2,561,424
Nevada.....					1,118	22,092	80,545	608,340
New Mexico.....	33				159	41,782	39,026	3,371,246
North Dakota.....						1,658,916	113,863	109,678
Oregon.....	454,822				494	694,008	967,268	1,813,807
Utah.....					197	114,873	369,812	644,041
Washington.....	37,866				752	277,598	350,332	789,137
Wyoming.....					987	169,676	311,456	2,352,699
Western total.....	586,752		31		13,964	5,255,667	5,371,674	18,307,535
Grand total.....	3,706,178	2,210,970	81,694	17,951	1,060,246	42,448,663	17,816,247	28,753,241

TABLE 3.—*Soil-building and range-building practices carried out—Continued*

State and Region	Pasture improvement—Continued						Green manure and cover crops	
	Development of springs or seeps		Construction of reservoirs and dams		Drilling or digging wells		Summer nonlegumes	Other green manure
	In soil or gravel	In rock	Material moved	Masonry	Casings 4 inches and over	Casings less than 4 inches		
	<i>Cubic feet</i>	<i>Cubic feet</i>	<i>Cubic yards</i>	<i>Cubic feet</i>	<i>Linear feet</i>	<i>Linear feet</i>	<i>Acres</i>	<i>Acres</i>
Maine.....								30, 863
New Hampshire.....								3, 476
Vermont.....								41
Massachusetts.....							278	34, 017
Rhode Island.....								3, 523
Connecticut.....								28, 058
New York.....							2, 248	109, 097
New Jersey.....							691	165, 158
Pennsylvania.....								75, 108
Northeast total.....							3, 217	449, 341
Illinois.....			49, 238				5, 259	102, 075
Indiana.....			5, 043				1, 721	116, 307
Iowa.....			543, 792				3, 096	28, 503
Michigan.....							7, 286	140, 882
Minnesota.....			1, 208				9, 984	11, 537
Missouri.....			4, 247, 234				5, 173	31, 046
Nebraska.....	6, 101	578	2, 479, 584		49, 944	107, 635	11, 053	49, 710
Ohio.....			3, 497				1, 571	61, 823
South Dakota.....	74, 152	535	10, 240, 995		38, 472	3, 481	6, 734	4, 405
Wisconsin.....			1, 120				3, 657	20, 308
North Central total.....	80, 253	1, 113	17, 571, 711		88, 416	111, 116	55, 534	566, 596
Delaware.....							5, 400	60, 710
Maryland.....							6, 907	87, 538
Virginia.....							164, 772	161, 288
West Virginia.....							6, 702	20, 841
North Carolina.....							1, 061, 194	401, 157
Kentucky.....							84, 353	149, 061
Tennessee.....							514, 659	167, 401
East Central total.....							1, 843, 987	1, 047, 996
Alabama.....								568, 862
Arkansas.....			83, 453				40, 130	465, 092
Florida.....							246, 158	563, 377
Georgia.....								523, 257
Louisiana.....								364, 915
Mississippi.....			110, 195					813, 493
Oklahoma.....	15, 871	420	3, 241, 211	65, 229	28, 094	1, 431	160, 060	115, 165
South Carolina.....							5, 286	535, 439
Texas.....	20, 579	5, 291	18, 974, 595	62, 841	500, 073	62, 317	1, 684, 162	1, 036, 591
Southern total.....	36, 450	5, 711	22, 409, 454	128, 070	528, 167	63, 748	2, 135, 796	4, 986, 191
Arizona.....	17, 308	16, 889	2, 607, 984	5, 115	23, 383	81		31, 795
California.....	206, 445	26, 568	465, 955	24, 905	19, 226	91		1, 556, 568
Colorado.....	135, 186	3, 192	1, 150, 324	2, 748	20, 683	19, 029		139, 636
Idaho.....	104, 103	584	255, 878		1, 931	1, 563		51, 549
Kansas.....	40, 688	2, 030	3, 310, 682		35, 728			48, 831
Montana.....	120, 378	12, 105	4, 758, 321		19, 965	4, 498		12, 095
Nevada.....	86, 831	483	51, 961		3, 575	565		503
New Mexico.....	9, 492	8, 361	4, 810, 160	4, 378	74, 857			28, 340
North Dakota.....	44, 134	182	1, 515, 107		1, 236	3, 509		67, 868
Oregon.....	108, 727	5, 248	242, 448	4, 065	6, 401			107, 944
Utah.....	156, 082	3, 624	596, 135	1, 094	3, 417	251		5, 079
Washington.....	77, 943	2, 540	51, 140	3, 427	748			160, 058
Wyoming.....	124, 957	4, 240	4, 859, 167		64, 781	6, 778		9, 183
Western total.....	1, 232, 274	86, 046	24, 675, 262	45, 732	275, 931	36, 941		2, 219, 449
Grand total.....	1, 348, 977	92, 870	64, 656, 427	173, 802	892, 514	211, 805	4, 038, 534	9, 269, 573



TABLE 3.—*Soil-building and range-building practices carried out*—Continued

State and Region	Green manure and cover crops—Con.		Erosion control					
	Summer legumes	Total	Con- tour ridg- ing pasture land	Terrac- ing	Spreader terraces	Spreader dams	Check dams or drops	Ditch- ing
	<i>Acres</i>	<i>Acres</i>	<i>1,000 linear feet</i>	<i>1,000 linear feet</i>	<i>1,000 linear feet</i>	<i>Cubic yards</i>	<i>Cubic feet,</i>	<i>1,000 linear feet</i>
Maine.....		30, 863		1				
New Hampshire.....		3, 476						
Vermont.....		41						
Massachusetts.....		34, 295						
Rhode Island.....		3, 523						
Connecticut.....		28, 058		2				
New York.....		111, 345		19				
New Jersey.....		165, 849		6				
Pennsylvania.....		75, 108		6				
Northeast total.....		452, 558		34				
Illinois.....		107, 334		130				
Indiana.....		118, 028		25				
Iowa.....		31, 599		188				
Michigan.....		148, 168		9				
Minnesota.....		21, 521		1				
Missouri.....		36, 219		3, 472				
Nebraska.....		66, 763		785	5	47, 093	1, 478	133
Ohio.....		63, 394		26				
South Dakota.....		11, 139		254			2, 582	664
Wisconsin.....		23, 965		12				
North Central total.....		622, 130		4, 902	5	47, 093	4, 060	797
Delaware.....	9, 081	75, 191						
Maryland.....	11, 169	105, 614		3				
Virginia.....	54, 719	380, 779		1, 293				
West Virginia.....	5, 045	32, 588						
North Carolina.....	310, 963	1, 773, 314		15, 671				
Kentucky.....	18, 506	251, 920		828				
Tennessee.....	73, 878	755, 938		16, 097				
East Central total.....	483, 361	3, 375, 344		33, 892				
Alabama.....	769, 132	1, 337, 994		40, 518				
Arkansas.....	1, 156, 016	1, 661, 238	2, 139	19, 895				
Florida.....	194, 428	1, 003, 963		3, 537				
Georgia.....	1, 545, 144	2, 068, 401	4, 492	15, 693				
Louisiana.....	949, 120	1, 314, 035	334	7, 220				
Mississippi.....	1, 022, 884	1, 836, 377		34, 829				
Oklahoma.....	160, 680	435, 905	2, 257	11, 762	47	4, 921		105
South Carolina.....	1, 138, 460	1, 679, 185	32	11, 497				
Texas.....	797, 168	3, 517, 921	10, 966	96, 979	7, 111	1, 893, 764		15, 142
Southern total.....	7, 733, 032	14, 855, 019	20, 220	241, 930	7, 158	1, 898, 685		15, 247
Arizona.....		31, 795	9		71	329, 766	1, 988	68
California.....		1, 556, 568			55	9, 035		54
Colorado.....		139, 636	44		420	53, 897	355	128
Idaho.....		51, 549			160	42, 088	2, 171	7
Kansas.....		48, 831			3, 269	386, 826		
Montana.....		12, 095			523	537, 369	1, 859	304
Nevada.....		503			80	34, 109	19, 579	351
New Mexico.....		28, 340			7, 167	620, 109		473
North Dakota.....		67, 868			19	15, 174		1
Oregon.....		107, 944			42	30, 037	36, 071	222
Utah.....		5, 079			128	65, 434	32, 061	125
Washington.....		160, 058				305	404	8
Wyoming.....		9, 183			1, 078	704, 193	10, 604	
Western total.....		2, 219, 449	53		13, 012	2, 828, 342	104, 492	1, 741
Grand total.....	8, 216, 393	21, 524, 500	20, 273	280, 758	20, 175	4, 774, 120	108, 552	17, 785



TABLE 3.—*Soil-building and range-building practices carried out—Continued*

State and Region	Erosion control—Continued							
	Rip-rap	Leveling hummocks created by wind erosion	Protecting muck-land by wind-breaks	Contour listing, furrowing, subsoiling, noncrop land	Contour listing, furrowing, subsoiling, range land	Sorghums or Sudan grass left on land	Protecting restoration land	Maintaining protective vegetative cover
	Cubic yards	Acres	Acres	Acres	1,000 linear feet	Acres	Acres	Acres
Maine.....								
New Hampshire.....								
Vermont.....	1,809							
Massachusetts.....								
Rhode Island.....								
Connecticut.....								
New York.....			2,878					
New Jersey.....				36				
Pennsylvania.....								
Northeast total.....	1,809		2,878	36				
Illinois.....				1				
Indiana.....			4	23				
Iowa.....				113				
Michigan.....			235	36				
Minnesota.....				1,360				
Missouri.....				759				
Nebraska.....				1,973	382	35,191	328,034	
Ohio.....				13				
South Dakota.....			14	1,030		12,022	519	
Wisconsin.....			28					
North Central total.....			281	5,308	382	47,213	328,553	
Delaware.....								
Maryland.....				57				
Virginia.....								
West Virginia.....								
North Carolina.....								
Kentucky.....				80				
Tennessee.....				1,636				
East Central total.....				1,773				
Alabama.....				220				
Arkansas.....								
Florida.....								
Georgia.....				1,112				
Louisiana.....								
Mississippi.....								
Oklahoma.....		96		5,888	13,408	243,580	134,008	
South Carolina.....								
Texas.....				37,234	589,235	484,958	10,552	
Southern total.....		96		44,454	602,643	728,538	144,560	
Arizona.....	572			1,559	51,055			
California.....	3,028			616	227			
Colorado.....	4,438	682		15,980	142,478	764,624	373,638	7,075
Idaho.....	196			4	717			
Kansas.....	35				75,829	1,583,068	204,243	
Montana.....	2,579				478		250,082	
Nevada.....	3,281				15			
New Mexico.....	12,738			17,137	161,264	244,509	88,253	
North Dakota.....							382,094	
Oregon.....	7,085			882	12			
Utah.....	15,262			77	1,285			
Washington.....	790							
Wyoming.....	6,299				7,940	1,626	44,058	
Western total.....	56,303	682		36,255	441,300	2,593,827	1,342,368	7,075
Grand total.....	58,112	778	3,159	87,826	1,044,325	3,369,578	1,815,481	7,075

TABLE 3.—*Soil-building and range-building practices carried out—Continued*

State and Region	Erosion control—Continued							
	Strip cropping, strip fallowing	Protecting summer fallow	Contour farming intertilled crops	Contour listing	Pit cultivation	Contour-seeding small-grain crops	Natural vegetative cover or small-grain stubble	Contour cultivation
	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>
Maine.....	382		1, 100					
New Hampshire.....	36							
Vermont.....								
Massachusetts.....			64					
Rhode Island.....								
Connecticut.....	6							
New York.....	13, 434							
New Jersey.....	594		88					
Pennsylvania.....	8, 610							
Northeast total.....	23, 062		1, 252					
Illinois.....	1, 151		287			186		
Indiana.....	96							5
Iowa.....	5, 829		32, 419			1, 638		239
Michigan.....						44		
Minnesota.....	9, 664		11, 153			11, 893		6
Missouri.....	227		28, 002			7, 397		23
Nebraska.....	124, 430	1, 136, 155	126, 624	1, 924	15, 707	19, 496		593
Ohio.....	4, 036		54			58		
South Dakota.....	885, 563	602, 536	20, 562	1, 645	2, 638	5, 635		7, 398
Wisconsin.....	26, 209		33					
North Central total.....	1, 057, 205	1, 738, 691	219, 134	3, 569	18, 345	46, 347		8, 264
Delaware.....								
Maryland.....	153							
Virginia.....								
West Virginia.....	1, 193							
North Carolina.....	478							
Kentucky.....	565							
Tennessee.....	484							
East Central total.....	2, 873							
Alabama.....	304							
Arkansas.....	5, 044							
Florida.....								
Georgia.....	2, 032							
Louisiana.....	168							
Mississippi.....	128							
Oklahoma.....	4, 072	319, 124	679, 008	283, 212	324, 688	203, 860	135, 170	
South Carolina.....	15, 264							
Texas.....	85, 270	461, 132	6, 369, 872	6, 515, 585	789, 320	680, 581	506, 623	
Southern total.....	112, 282	780, 256	7, 048, 880	6, 798, 797	1, 114, 008	884, 441	641, 793	
Arizona.....			500	70				
California.....	37				2, 812	3, 496		
Colorado.....	201, 346	630, 726	53, 478	8, 357	56, 852	7, 486	1, 097, 574	637
Idaho.....		232, 266	193			4, 030		
Kansas.....	174, 875	1, 893, 942	144, 463	136, 200	443, 962	79, 805	1, 905, 101	336
Montana.....	2, 216, 264	1, 937	1, 572		7, 095	2, 279		
Nevada.....								
New Mexico.....	10, 185	89, 369	342, 583	271, 096	35, 744	55, 080		
North Dakota.....	1, 773, 184	1, 015, 869						
Oregon.....		318, 183				5, 298		
Utah.....		123, 824				18, 639		
Washington.....	35	562, 071				4, 623		
Wyoming.....	176, 683	29, 550	616	381	956	1, 222		
Western total.....	4, 552, 609	4, 897, 737	543, 410	416, 104	547, 421	181, 958	3, 002, 675	973
Grand total.....	5, 748, 031	7, 416, 684	7, 812, 676	7, 218, 470	1, 679, 774	1, 112, 746	3, 644, 468	9, 237

TABLE 3.—*Soil-building and range-building practices carried out—Continued*

State and Region	Forestry					Other practices	
	Main- taining stands	Improv- ing stands	Planting forest trees	Restora- tion by non- grazing	Wood- land re- habilita- tion	Growing home gardens	Weed control
	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Number</i>	<i>Acres</i>
Maine.....	2,193	200	1,304	382			
New Hampshire.....	465	115	166	7,535			
Vermont.....	924	955	23,062	17,713			
Massachusetts.....	591	294	160	8,993			
Rhode Island.....		19		806			
Connecticut.....	271	380		3,363			
New York.....	391	6,170	2,738				
New Jersey.....	284	197					
Pennsylvania.....	234	3,662	870				
Northeast total.....	5,353	11,892	28,300	38,792			
Illinois.....	92	28	2,052				
Indiana.....	74	1,370	2,175	224			32
Iowa.....	123	227	2,025	17			272
Michigan.....	3,684	6,866	4,775				
Minnesota.....	4,614	40,527	5,089	14,437			1,146
Missouri.....	348	2,566	2,129	174		5,914	
Nebraska.....	41,679	78	10,987	236			2,591
Ohio.....	647	340	935	19		1,260	
South Dakota.....	43,136	53	11,157	842			12,425
Wisconsin.....	5,019	26,010	8,538	3,168			20,940
North Central total.....	99,416	78,065	49,862	19,117		7,174	37,406
Delaware.....		2	59				
Maryland.....		46	133				
Virginia.....		497	643				
West Virginia.....		1,098	380				
North Carolina.....		4,020	1,735			156,543	
Kentucky.....		11,257	1,557				
Tennessee.....		221	5,543				
East Central total.....	17,141	10,050				156,543	
Alabama.....	1,764		5,596			92,638	
Arkansas.....	537		2,071			39,082	
Florida.....		3,508	10,210			10,411	
Georgia.....	11,706		31,211			35,458	
Louisiana.....	484		3,373			18,967	
Mississippi.....	1,066	248	8,057			27,221	
Oklahoma.....	16,517		1,069			84,717	178
South Carolina.....	2,089		4,097			25,753	
Texas.....	14,574		2,434			148,861	14,136
Southern total.....	48,737	3,756	68,118			483,108	14,314
Arizona.....							626
California.....	895	78	139				4,161
Colorado.....	797		596				1,426
Idaho.....	76	161	168				16,944
Kansas.....	18,152	90	681				32,605
Montana.....	378		251			4,224	12,429
Nevada.....			7				50
New Mexico.....	30		115				
North Dakota.....	20,260	33	1,689				2,049
Oregon.....	132		80				23,381
Utah.....	26		99				7,603
Washington.....	36	54	39				14,734
Wyoming.....	724		392				2,405
Western total.....	41,506	416	4,256			4,224	118,413
Grand total.....	189,659	104,731	144,178	47,417	38,792	651,049	170,133

TABLE 3.—*Soil-building and range-building practices carried out—Continued*

State and Region	Other practices—Continued						
	Conservation of range lands through elimination of destructive plants						
	Prickly pear and cactus	Mesquite	Cedar	Lechuguilla	St. John's Wort	Sage-brush	Mowing weeds
Oklahoma.....	<i>Acres</i> 20, 396	<i>Acres</i> 1, 330	<i>Acres</i> 57	<i>Acres</i> 108	<i>Acres</i>	<i>Acres</i>	<i>Acres</i> 18, 394
Texas.....	1, 697, 136	133, 483	622, 584	67, 107			330, 648
Southern total.....	1, 717, 532	134, 813	622, 641	67, 215			349, 042
California.....					5, 409		192
Colorado.....	4, 717					724	
Idaho.....					1, 760	813	
Kansas.....	296, 256						64, 780
Oregon.....						830	
Utah.....						6, 047	
Washington.....						21, 330	
Wyoming.....	12, 512					422	350
Western total.....	313, 485				7, 169	30, 166	65, 324
Grand total.....	2, 031, 017	134, 813	622, 641	67, 215	7, 169	30, 166	414, 366

  

State and Region	Other practices—Continued						
	Fire guards	Sanding cranberry bogs	Flooding cranberry bogs	Renovation of perennial grasses or legumes	Deep subsoiling croplands or orchards	Sod waterways	Dams in gullies on farm land
	<i>1,000 linear feet</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Linear feet</i>	<i>Number</i>
Vermont.....				343			
Massachusetts.....		2, 723					
Rhode Island.....		22					
New Jersey.....		639	213				
Northeast total.....		3, 384	213	343			
Illinois.....						18, 717	8
Indiana.....						23, 902	8, 066
Iowa.....		7				200, 535	59, 695
Michigan.....		8					
Minnesota.....						1, 847	858
Missouri.....						7, 851	74, 662
Nebraska.....					438		30, 098
Ohio.....						117, 900	4, 068
South Dakota.....					312		24
Wisconsin.....		514	2		3	375, 685	301
North Central total.....		529	2		753	746, 437	177, 780
Oklahoma.....	454						
Texas.....	10, 385						2
Southern total.....	10, 839						2
Arizona.....				73, 867	8, 858		
California.....	12, 046			138, 310	31, 046		
Colorado.....				232, 844	43, 579		
Idaho.....	501			320, 018	2, 404		
Kansas.....	69						
Montana.....	1, 360			105, 866			
Nevada.....				42, 303			
New Mexico.....	210				38, 563		
North Dakota.....	332						
Oregon.....	378			115, 701	15, 890		
Utah.....				18, 467	210		
Washington.....	1, 357	17		232, 932	27, 872		
Wyoming.....				202, 470	243		
Western total.....	16, 253	17		1, 482, 778	168, 665		
Grand total.....	27, 092	3, 930	215	1, 483, 121	169, 418	746, 437	177, 782



Table 4.—Number of payees, net payments, and average size of payment by commodities, 1940 parity payment program

State and Region	Number of payees					Net payments	
	Cotton	Corn, commercial	Wheat	Rice	Total	Cotton	Corn, commercial
	Number	Number	Number	Number	Number	\$1,000	\$1,000
New York.....	-----	-----	6,901	-----	6,901	-----	-----
New Jersey.....	-----	-----	881	-----	881	-----	-----
Pennsylvania.....	-----	-----	33,261	-----	33,261	-----	-----
Northeast total.....	-----	-----	41,043	-----	41,043	-----	-----
Illinois.....	723	180,929	86,601	-----	268,253	21	8,572
Indiana.....	-----	121,222	87,866	-----	209,088	-----	3,723
Iowa.....	-----	218,838	33,935	-----	252,773	-----	13,101
Michigan.....	-----	20,408	59,483	-----	79,891	-----	343
Minnesota.....	-----	98,149	96,092	-----	194,241	-----	4,195
Missouri.....	28,183	125,982	96,011	-----	250,176	2,217	2,592
Nebraska.....	-----	156,648	115,815	-----	272,463	-----	5,218
Ohio.....	-----	98,168	97,285	-----	195,453	-----	2,670
South Dakota.....	-----	45,420	115,577	-----	160,997	-----	1,150
Wisconsin.....	-----	32,368	16,865	-----	49,233	-----	955
North Central total.....	28,906	1,098,132	805,530	-----	1,932,568	2,238	42,519
Delaware.....	-----	-----	3,740	-----	3,740	-----	-----
Maryland.....	-----	-----	14,150	-----	14,150	-----	-----
Virginia.....	17,190	-----	11,280	-----	28,470	243	-----
West Virginia.....	-----	-----	1,430	-----	1,430	-----	-----
North Carolina.....	213,410	-----	5,370	-----	218,780	4,445	-----
Kentucky.....	4,480	16,040	12,980	-----	33,500	100	301
Tennessee.....	138,530	-----	10,840	-----	149,370	3,505	-----
East Central total.....	373,610	16,040	59,790	-----	449,440	8,293	301
Alabama.....	298,583	-----	48	-----	298,631	8,453	-----
Arkansas.....	243,541	-----	6,351	1,625	251,517	9,484	-----
Florida.....	15,502	-----	-----	-----	15,502	215	-----
Georgia.....	251,118	-----	551	-----	251,669	8,029	-----
Louisiana.....	167,617	-----	-----	10,322	177,939	5,446	-----
Mississippi.....	337,025	-----	-----	-----	337,025	12,526	-----
Oklahoma.....	190,390	-----	88,246	-----	278,636	4,889	-----
South Carolina.....	163,523	-----	235	-----	163,758	5,826	-----
Texas.....	557,978	-----	70,272	994	629,244	24,582	-----
Southern total.....	2,225,277	-----	165,703	12,941	2,403,921	79,450	-----
Arizona.....	4,030	-----	814	-----	4,844	1,509	-----
California.....	11,284	-----	6,286	897	18,467	3,476	-----
Colorado.....	-----	-----	29,441	-----	29,441	-----	-----
Idaho.....	-----	-----	25,672	-----	25,672	-----	-----
Kansas.....	53	42,968	157,831	-----	200,852	2	1,006
Montana.....	-----	-----	41,742	-----	41,742	-----	-----
Nevada.....	-----	-----	912	-----	912	-----	-----
New Mexico.....	6,517	-----	4,158	-----	10,675	784	-----
North Dakota.....	-----	-----	138,783	-----	138,783	-----	-----
Oregon.....	-----	-----	15,996	-----	15,996	-----	-----
Utah.....	-----	-----	12,247	-----	12,247	-----	-----
Washington.....	-----	-----	11,369	-----	11,369	-----	-----
Wyoming.....	-----	-----	6,076	-----	6,076	-----	-----
Western total.....	21,884	42,968	451,327	897	517,076	5,771	1,006
Hawaii.....	-----	-----	-----	63	63	-----	-----
Grand total.....	2,649,677	1,157,140	1,523,393	13,901	5,344,111	95,752	43,826

TABLE 4.—*Number of payees, net payments, and average size, etc.*—Continued

State and Region	Net payments—Continued			Average size of payment				
	Wheat	Rice	Total	Cotton	Corn, com- mercial	Wheat	Rice	Total
	\$1,000	\$1,000	\$1,000	Dollars	Dollars	Dollars	Dollars	Dollars
New York.....	156	-----	156	-----	-----	22.57	-----	22.57
New Jersey.....	22	-----	22	-----	-----	25.53	-----	25.53
Pennsylvania.....	698	-----	698	-----	-----	21.00	-----	21.00
Northeast total.....	876	-----	876	-----	-----	21.36	-----	21.36
Illinois.....	2,050	-----	10,643	29.33	47.38	23.67	-----	39.68
Indiana.....	1,607	-----	5,330	-----	30.71	18.30	-----	25.49
Iowa.....	596	-----	13,697	-----	59.87	17.57	-----	54.19
Michigan.....	859	-----	1,202	-----	16.79	14.44	-----	15.04
Minnesota.....	1,705	-----	5,903	-----	42.74	17.77	-----	30.39
Missouri.....	1,717	1	6,526	78.66	20.57	17.89	-----	26.09
Nebraska.....	3,864	-----	9,082	-----	33.31	33.36	-----	33.33
Ohio.....	1,836	-----	4,506	-----	27.20	18.87	-----	23.05
South Dakota.....	2,568	-----	3,718	-----	25.32	22.21	-----	23.09
Wisconsin.....	109	-----	1,064	-----	29.50	6.47	-----	21.61
North Central total.....	16,914	-----	61,671	77.43	38.72	21.00	-----	31.91
Delaware.....	119	-----	119	-----	-----	31.91	-----	31.91
Maryland.....	511	-----	511	-----	-----	36.12	-----	36.12
Virginia.....	289	-----	532	14.12	-----	25.60	-----	18.67
West Virginia.....	48	-----	48	-----	-----	33.35	-----	33.35
North Carolina.....	80	-----	4,525	20.83	-----	14.84	-----	20.68
Kentucky.....	260	-----	661	22.47	18.75	20.05	-----	19.75
Tennessee.....	143	-----	3,648	25.30	-----	13.22	-----	24.43
East Central total.....	1,450	-----	10,044	22.20	18.75	24.26	-----	22.35
Alabama.....	1	-----	8,454	28.31	-----	13.94	-----	28.31
Arkansas.....	33	241	9,758	38.94	-----	5.14	148.01	38.79
Florida.....	-----	-----	215	13.87	-----	-----	-----	13.87
Georgia.....	13	-----	8,042	31.97	-----	23.80	-----	31.96
Louisiana.....	-----	550	5,996	32.49	-----	-----	53.28	33.70
Mississippi.....	-----	-----	12,526	37.17	-----	-----	-----	37.17
Oklahoma.....	3,423	-----	8,312	25.68	-----	38.79	-----	29.83
South Carolina.....	4	-----	5,830	35.63	-----	17.42	-----	35.60
Texas.....	3,486	260	28,328	44.06	-----	49.61	261.57	45.02
Southern total.....	6,960	1,051	87,461	35.70	-----	42.00	81.18	36.38
Arizona.....	69	-----	1,578	374.27	-----	85.12	-----	325.68
California.....	756	246	4,478	308.08	-----	120.20	274.47	242.50
Colorado.....	1,041	-----	1,041	-----	-----	35.34	-----	35.34
Idaho.....	1,641	-----	1,641	-----	-----	63.94	-----	63.94
Kansas.....	11,448	-----	12,456	29.30	23.41	72.54	-----	62.02
Montana.....	3,137	-----	3,137	-----	-----	75.15	-----	75.15
Nevada.....	26	-----	26	-----	-----	28.01	-----	28.01
New Mexico.....	215	-----	999	120.38	-----	51.66	-----	93.61
North Dakota.....	7,149	-----	7,149	-----	-----	51.51	-----	51.51
Oregon.....	1,457	-----	1,457	-----	-----	91.08	-----	91.08
Utah.....	352	-----	352	-----	-----	28.73	-----	28.73
Washington.....	2,152	-----	2,152	-----	-----	189.28	-----	189.28
Wyoming.....	241	-----	241	-----	-----	39.65	-----	39.65
Western total.....	29,684	246	36,707	263.70	23.41	65.77	274.47	70.99
Hawaii.....	-----	2	2	-----	-----	-----	35.44	35.44
Grand total.....	55,884	1,299	196,761	36.14	37.87	36.68	93.44	36.82

<sup>1</sup> Less than \$500.

Table 5.—Payments to producers—1940 sugar program <sup>1</sup>

[Includes gross payments and unpaid obligations as of June 30, 1941]

Item	Gross pay- ments	Item	Gross pay- ments
Continental sugar beet:		Continental sugar beet—Continued.	
California.....	\$5, 510, 784. 01	Wisconsin.....	405, 771. 81
Colorado.....	3, 864, 324. 92	Wyoming.....	1, 232, 261. 60
Idaho.....	2, 191, 706. 57		
Illinois.....	46, 219. 19	Total.....	23, 180, 029. 74
Indiana.....	136, 727. 90		
Iowa.....	97, 978. 70	Continental sugarcane:	
Kansas.....	199, 512. 33	Florida.....	642, 878. 96
Michigan.....	1, 946, 119. 93	Louisiana.....	3, 389, 717. 57
Minnesota.....	655, 890. 87		
Montana.....	2, 221, 544. 40	Total.....	4, 032, 596. 53
Nebraska.....	1, 637, 476. 52		
Nevada.....	5, 786. 88	Insular region:	
New Mexico.....	3, 447. 75	Hawaii.....	8, 851, 541. 48
North Dakota.....	347, 359. 35	Puerto Rico.....	<sup>2</sup> 9, 000, 000. 00
Ohio.....	754, 152. 11		
Oregon.....	229, 047. 63	Total.....	17, 851, 541. 48
South Dakota.....	175, 893. 16		
Texas.....	3, 491. 26	Grand total.....	45, 064, 167. 75
Utah.....	1, 085, 846. 57		
Washington.....	428, 686. 28		

<sup>1</sup> Includes acreage abandonment and crop deficiency payments.<sup>2</sup> Estimated.

## APPENDIX B.—WASHINGTON ORGANIZATION OF THE A. A. A.

The Agricultural Adjustment Administration operates as a bureau within the Department of Agriculture with central administrative offices in Washington. The organization is headed by the Administrator, who is responsible directly to the Secretary of Agriculture. The administrative heads, responsible to the Administrator,<sup>1</sup> include the special assistant to the Administrator, who has general supervision over personnel, fiscal, and general service matters; the director of the Special Programs Division, who coordinates the administrative activities of the regional divisions and handles the program for the territories outside of the continental United States; the directors of five regional divisions covering the continental United States; the chief of the Sugar Division; and the director of the Division of Information.

The division directors were responsible for carrying out the regional programs in 1940 as follows:

**Southern Region.**—South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, Texas, and Oklahoma.

**East Central Region.**—Tennessee, Kentucky, North Carolina, Virginia, West Virginia, Maryland, and Delaware.

**Northeast Region.**—Pennsylvania, New Jersey, New York, Connecticut, Massachusetts, Maine, Vermont, New Hampshire, and Rhode Island.

**North Central Region.**—Ohio, Michigan, Indiana, Illinois, Wisconsin, Iowa, Missouri, Nebraska, South Dakota, and Minnesota.

**Western Region.**—North Dakota, Kansas, Colorado, Wyoming, Montana, New Mexico, Arizona, California, Utah, Nevada, Idaho, Oregon, and Washington.

**Insular Region.**—Puerto Rico, and the Territories of Alaska and Hawaii.

### SUGAR DIVISION

The Sugar Division operated in 1940 as part of the A. A. A. under the Sugar Act of 1937 with its conditional-payment program administered in the field by A. A. A. committees.

### DIVISION OF INFORMATION

In general, the Division of Information directs and supervises the informational activities of the Administration, serving all divisions. It cooperates with the administrative divisions and State and local committees of the A. A. A., and with the Agricultural Extension Service, vocational-agriculture teachers, women's clubs, civic groups, farm organizations, farm journals, newspapers, and other agencies, in planning and carrying out educational programs in connection with agricultural adjustment.

<sup>1</sup> Under the reorganization of the Department, announced December 13, 1941, the A. A. A., together with the Soil Conservation Service, the Federal Crop Insurance Corporation, and the Sugar Division, was grouped under the direction of an Administrator of Agricultural Adjustment and Conservation, who reports directly to the Secretary of Agriculture. The A. A. A. is headed by a Chief.









